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# Latin America Report

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## LATIN AMERICA REPORT

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## DAILY BLAMES ARGENTINA FOR YACYRETA PROJECT DELAY

PY221830 Asuncion HOY in Spanish 22 Apr 81 p 11

[Editorial: "Stagnation of the Yacyreta Project"]

[Excerpts] Few projects have run into so many and such large obstacles as the project our country and Argentina are trying to carry out in Yacyreta. There is probably no other hydroelectric project as old as this one in this hemisphere. Representatives of the two countries signed a document during the 1920's with the intention of building a dam on the Parana River to exploit its enormous hydroelectric potential.

Years have passed. Papers have piled up. Reports have been written and files and archives have grown. The Parana project was the best excuse for diplomatic rhetoric. The exploitation of the Parana River was discussed for years. The speeches delivered on this project can fill several volumes.

Finally, exhaustion seemed to have defeated the bureaucracy of the neighboring country and its never ending desire for lobbying. Old reports were brought back, necessary agreements were signed and some steps were taken. Incredibly enough, Yacyreta began to move. Everything seemed to go in the right direction.

The project, however, was not able to escape from its unfortunate fate. Every so often new arguments obstructing its normal development arose. It would be long and tedious to recall all the problems. It is sufficient to say that every problem was able to delay the normal development of the project's schedule. Let us recall some of these well known problems: the Argentine hesitatio. to recognize the Paraguayan legitimate right for compensation due to the larger area of land flooded by the dam on the Paraguayan side and the delay in awarding the main civil projects.

There is an explanation to everything. The Argentine Government--for reasons which have never been well explained--supports one of the companies that participated in the bidding for work contracts. This company was in charge of building large civil projects in Argentina and has the unlimited confidence of the neighboring country. Besides, it was taken for granted that this company would get the contract.

But when the envelopes containing the offers were opened, it was found that this company did not make the best offer. It was quite surprising. This is when the

going around in circles, whispers, underground negotiations and the never ending "secret dealings" began with the purpose of trying to get in a direct negotiation what this company was unable to achieve with the logic of numbers, a situation which relegated this company--which had the sympathy of the Argentine Government--to a secondary position. This is something similar to the Beagle Channel situation where Argentina is trying to get in negotiations what it did not get in the arbitration award or in the proposal made by Pope John Paul II.

This is how the situation stands. Yacyreta continues stagnated and there is no indication what will come out of it. This is not surprising. The ill-fated signs of indecision and self-interest make this inevitable. Itaipu will soon start to generate a stream of electricity throughout the Southern Cone and Yacyreta--we have no doubt--will continue to hesitate stagnated in bureaucracy and in the interest of some high ranking spokesmen of the neighboring country. Nothing can apparently take this ambitious project from this path so negative for the interests of the two countries.

CSO: 3010/1203



## BRIEFS

YACYRETA DIRECTOR RESIGNS--The Executive Committee of the Yacyreta Binational Enterprise held a meeting in Buenos Aires yesterday and was surprised to learn that its executive director, Jorge Alberto Pegoraro, had resigned. This confirms a report going around for months predicting Pegoraro's resignation after the inauguration of the new Argentine administration. According to a report from the Argentine capital, Pegoraro submitted a request for leave of absence last Monday but yesterday morning, he delivered his irrevocable resignation to the Argentine Foreign Ministry. Jorge H. Riviere, current Yacyreta technical director, has become interim executive director. According to reliable sources, Pegoraro's resignation was determined by the result of the meeting held by President Roberto Eduardo Viola with his energy advisors, a meeting Pegoraro also attended. As we reported on another occasion, Viola practically rejected all the statements and recommendations made by Pegoraro. [Excerpt] [PY231545 Asuncion ABC COLOR in Spanish 23 Apr 81 p 10]

CSO: 3010/1203

## BRIEFS

YPF DEFICIT DISCUSSED--Buenos Aires, 14 Apr (NA)--The president-designate of Government Oil Deposits (YPF), Gen Carlos Suarez Mason (ret) today stated that by the end of this month the deficit of this organization will reach \$6 billion but added that "it is possible to solve the problem." He indicated that the deficit is caused by the low prices which the YPF receives for its crude. He said: "A cubic meter of imported oil costs the country \$240 while the enterprise receives for the same only \$90. This difference frees me of the need to comment any further," Gen Suarez Mason told the press. Asked about the reduction of public expenditures he answered that "the enterprise is doing what it can in this regard, the executive board is trying to cut down expenses, even dangerously so, however there is not much to cut here." He added that "we must not forget that YPF carries a very heavy deficit because of low prices." Suarez Mason who will take over as president of this state-owned enterprise shortly, stated that "the important thing is to keep petroleum and gas production high." With regard to the deficit he said: "We will make every effort to straighten this out." [Text] [PY151612 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0114 GMT 15 Apr 81]

COAL DEPOSITS PRESIDENT--Buenos Aires, 16 Apr (TELAM)--The national government has set the goal of 1,500,000 tons of coal per year for the Government Coal Deposits (YCF), according to the under secretary for fuels, Guillermo Wallbrecher, at the installation yesterday of the new president of that state enterprise, Brig Gen (ret) Manuel Haroldo Pomar. Pomar replaces Jose Pascual Tripodi. [Buenos Aires TELAM in Spanish 0700 GMT 16 Apr 81]

NEW PETROLEUM DEPOSIT--Buenos Aires, 14 Apr (NA)--Today authorized sources confirmed that an off-shore prospecting platform of the Esso Company has discovered petroleum in the Southern Sea. This is the second discovery of this nature in 2 months. A similar platform of another company previously found petroleum at the mouth of the Strait of Magellan, south of Santa Cruz Province. This time the discovery was made by the "Calamar" well at a depth of 1,730 meters and although preliminary reports indicate that it will be productive this information will have to be confirmed after a series of tests to determine the area covered by the deposit are made. Drilling of the "Calamar" well started on 6 February 1981 in the area established by the "Tierra Del Fuego Este 1" contract which is situated 70 km from Tierra Del Fuego, right in the Southern Sea. It was stated that it is still being analyzed in order to determine its real potential. The first sign of the possible existence of an important petroleum deposit appeared when the off-shore platform had drilled 1,500 meters deep. The "Ciclon" well had previously shown signs of the existence of petroleum in the Southern Sea but preliminary studies determined that the deposit was not profitable. The "Calamar" well on the other hand seems to have great marketing potential. [Text] [PY142117 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1630 GMT 14 Apr 81]

## BRIEFS

PETROLEUM PRODUCTION--The government seeks to increase its petroleum production to up to 34,000 barrels daily within no more than a year, it has been officially reported. This will represent a 40 percent increase over the total production in 1980: that is, 8,715,568 barrels of crude oil and petroleum condensate--an average of 23,813 barrels daily. [PY230302 La Paz PRESENCIA in Spanish 20 Apr 81 p 3]

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## BIOGRAPHICAL SKETCH DEPICTS NEW PRESIDENT'S PERSONALITY

Buenos Aires LA NACION in Spanish 29 Mar 81 pp 1, 22

[Text] He was born in the Colegiales district of Buenos Aires on 13 October 1924, of an Italian mother and father. He attended the No 18 School in School District XIV, and Leo XIII High School, where the young student of the Salesians showed outstanding ability. On 3 March 1942, he enrolled in the Military College, as a member of the 73d graduating class, in which one of his classmates was Cadet Jorge Rafael Videla. He graduated as an infantry second lieutenant on 21 December 1944, and was assigned to the 27th Regiment of the branch of service (which is now dissolved), stationed in Paso de los Libres, Corrientes. There, he met his wife, Nelida Giorgio. After a series of promotions, he took courses at the War College, at which he received the rank of staff officer. He was an adviser on the military delegation to the Inter-American Defense Board, deputy director of the Military College, commander of the Third Infantry Brigade (he was promoted to brigadier general on 31 December 1971), second commander and chief of staff of the Second Army Corps, secretary of the Army High Command and, finally, commander of the Second Army Corps.

## Commander in Chief

On 29 August 1975, he became chief of the Army General Staff; and, on 31 December of the same year, he was promoted to division general. On 1 August 1978, he was named commander in chief of the Army by his former classmate, Lt General Videla; and that position meant his attainment of the highest rank of the military echelons. In 1 year, 4 months and 28 days, he went into retirement, after appointing Lt Gen Leopoldo Fortunato Galtieri as his successor. He has two children, Silvia (the mother of his two grandchildren) and Roberto. He often visits Concordia, in Entre Rios Province, where his in-laws reside. In his youth, he liked to play soccer, and he is a River Plate fan, usually attending the stadium there. His close associates claim that he is a heavy smoker, fond of reading, moderate in eating and a person willing to listen to those with whom he talks, the most visible sign of a quiet, rather introverted personality, inclined toward reflection.

## The Man and the Ideas

Thus, attempting brevity, we have depicted the most prominent traits of the personality of a military man (and citizen), Lt Gen (ret) Roberto Eduardo Viola, who today assumes the presidency of the nation for a 3-year term.

But there is also a public man inherent in him, the one whose career began when he occupied the Army's highest command post and, by virtue of it, became a member of the Military Junta, the top-ranking guide of the national reorganization process. Probing into the ideas of the public man will provide a few indications regarding the thinking and conduct which will unquestionably mark his future action.

As commander in chief of the Army, Lt General Viola gave evidence of a moderate style, a frugal one, if you will. At critical times (the climax of the boundary dispute with Chile, or General Menendez's rebellion, for example), he remained within those limits. He displayed the image of a military man not lacking in political skill, which does not, however, mean that he would give up the discipline that typifies him as a result of his professional training, or his involvement with a process to which he is connected by firm convictions.

#### The President

"Easy times are not awaiting us. We have traversed only the first phase of a difficult path that will not be devoid of problems, troubles and misunderstandings. But it must lead us inexorably to the dawn of a new historical cycle for the nation. The path that the Armed Forces have begun in this process has no return, nor will it have a return." An impressive statement. The paragraph is from the message with which Lt General Viola took his leave of the Army on 28 December 1979. From that date onward, the predictions that his next "act of service" (as he described it on one occasion) would be that of succeeding Lt General Videla in the presidential post were consolidated.

His appointment, which had been anticipated for a long time, according to claims by source associated with political activity, was announced on 3 October 1980 by the Military Junta. At that time, it was recalled that, 2 years earlier, he had stated in Caracas that, "Argentina will return to a real, authentic democracy." Despite the fact that a great many hopes were placed (and are being placed) in him, he has not left any loopholes that would allow anyone to ascribe to his action preferential features on behalf of any sector.

Surrounded by a group of collaborators, Lt General Viola intensified his study of the national problems, selected those who would accompany him in his administration, traveled to the United States to hold a dialog with Reagan and became familiar with the various facets of the task that he will begin today.

Before presuming how he will act in the presidency, it would be better to refer back to his own statements: "After March 1981, I imagine the country (in the economic area), if our aspirations are fulfilled, in a situation whereby we have completed this entire period of effort and sacrifice, with an economy that is totally and completely free of encumbrances; a country ready for a sustained, sincere and concrete takeoff. And, in the political area, I believe that this phase is the phase of the holding of dialog which will make it possible, starting in 1981, to have an organized consensus of public policy concerning the development of the process."



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## ALSOGARAY COMPARES U.S., ARGENTINE ECONOMIES

Buenos Aires LA NACION in Spanish 29 Mar 81 Sec 3 p 3

[Text] At the opening luncheon for this year's course at the Argentine Institute of Finance Executives, engineer Alvaro C. Alsogaray spoke on the subject of "The Economic Policy of the 5-Year Period 1976-81: Lessons."

Following is a summary of the lecture, which the speaker himself disseminated:

"The United States and Argentina are experiencing a very special period, marked by major changes.

"In the United States, a people tired of over 20 years of hybrid and neo-Keynesian politicians, who caused the most powerful and dynamic nation on earth to find its position in various areas contested by the Soviet Union and Japan, reacted in a noteworthy manner and voted for thorough changes that were clearly proclaimed in the election campaign. If those changes are carried out, and there is every indication that they will be, they will eliminate the factors which caused the previous retrogression, and will enable the country to recover its vanguard position. The group of economists surrounding Mr Reagan have a firm ideological position, which they do not conceal but, on the contrary, express as their main combat weapon. I hope and wish that they will never back down, and that their action will serve as an example to other countries of the world, including our own.

"The difficulty for Mr Reagan and for all governments that come to power with the intention of introducing fundamental reforms after long intervals of vacillation, erroneous policies, intermediate paths and economic disorders lies in the fact that they inherit unbearable inflationary situations wherein the remedial measures that they must apply soon evoke negative reactions, especially among the vested interests sectors. This is also the case with Margaret Thatcher in Great Britain, and the one which it was my lot to experience on two occasions in Argentina. This has been a historical constant, regardless of the size of the country concerned. Only an iron-clad will to implement the ideas can lead to success. Needless to say, I hope and wish that such success will be achieved in the United States."

#### The Argentine Situation

"We in Argentina are also experiencing a special period wherein, on the one hand, we desire the continuity of the process that freed us from terrorism and subversion,

despite the unjust, undocumented criticism from abroad; and, on the other, we feel the need for a change. I don't think that there is a single Argentine who is not expecting that change on 29 March. We certainly are not agreed on the nature thereof, but we are, indeed, agreed on its inevitability.

"This duality of continuity and discontinuity at the same time, which ostensibly poses an insoluble problem, can, however, be resolved if we specify what it is that we should retain and what it is that we should change. Those specifications are indispensable. It will not suffice to say, 'We shall retain the philosophy of the process, but we shall introduce instrumental reforms.' Each one of those terms must be clearly defined. I hope that this will be done, and that the country will quickly regain its balance and resume its progress forward.

"I cannot go into detail on my thoughts on this subject here, but I have already done so at every opportunity that has been offered me. But, by way of a very brief summary, I would say that we must retain the release of the price mechanism, non-discrimination against the rural areas, the financial system (cured of the insane shortcomings and abuses that it has withstood) and the opening of the economy (also freed from the cyclical misuse that has been made of it). At the same time, we must put an end to inflation and, in particular, to the repressed inflation that has been leading the country's major business firms into bankruptcy since 20 December 1978, as well as depleting the foreign exchange reserves and introducing the greatest financial upheaval that we have ever experienced, reflected in interest rates of over 400 percent per year, and 'normal' operational terms of 7 days.

"I hope and wish that, during this phase that both countries are starting, the United States and Argentina will traverse the path together that will enable them to recover the vanguard position that they held in the past, in accordance with their respective dimensions and potential."

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## PERONIST LEADER CAUTIONS PARTY ON VIOLA'S STATEMENTS

Buenos Aires CLARIN in Spanish 22 Mar 81 p 5

[Text] The president of the Justicialist Party Congress, Eloy Camus, declared: "It is essential to put an end to a policy which has led the country into financial chaos, which is destroying the sources of production and which is threatening the working class with unemployment and poverty."

In statements made in this city, the Justicialist leader showed wariness regarding the possibility of interpreting recent remarks by Roberto Viola on the subject of Peronism as a change in attitude.

Camus commented: "Time will tell whether that interpretation is correct. We are not sectarian nor resentful, but we prefer to let the facts speak before passing judgment."

"For the time being, we are maintaining the same position and, rather than expectations, we have demands which are those not only of the Justicialists, but of the entire Argentine people."

Camus, who was governor of San Juan, also expressed the view that "the government should listen to the country," because, "for 5 years a socioeconomic policy inspired by arrogance has been applied, without heeding the legitimate demands of all sectors."

He continued: "The official propaganda sought to give the impression that the so-called openness of the economy was leading us to the best of all worlds, and now it has collapsed like a house of cards."

Camus commented on the current economic situation, wherein "bankruptcies are multiplying," with the resultant threat of unemployment; and he made special mention of "the disastrous situation that exists in the regional economies."

He stressed: "Argentina is undergoing a very serious crisis, and it is impossible to delay for an hour, or a minute, in becoming aware of it and doing something to solve it."

## A Slogan

As for the possible paths toward a solution, Camus recalled a slogan of former President Peron, to the effect that, "We must settle this among all of us;" adding:

"We must bring about a convergence of the national and popular political forces on a solution and, at the same time, bring about a convergence of the people with the Armed Forces."

He noted: "The latter entails a mutual understanding, because we shall not be able to arrive at that convergence with an inflexible, arrogant attitude on the part of those who are now the holders of the government and the power."

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## PERONIST PARTY BANS MEMBERS FROM PARTICIPATING IN GOVERNMENT

Buenos Aires CLARIN in Spanish 21 Mar 81 p 8

[Text] The National Council of the Justicialist Party announced that it would not allow its members and followers to accept any kind of public office.

In addition, at a meeting of that Council it began to analyze the possibility of convoking a national party congress.

A communique signed by the party's second vice president, Nestor Carrasco, and the secretary general, Lazaro Roca, states: "The party's National Council, in response to questions asked by leaders of the National Movement, announces that it will not allow its members or followers to accept any office with national, provincial and/or municipal functions, under penalty of the pertinent disciplinary measures."

Moreover, party sources said that the Council analyzed the possibility of convoking a national party congress, in accordance with the stipulations contained in the group's organizational charter.

The informants added that the study of the matter would be continued by the party's top-ranking authorities, although they did not explain whether specific dates for the convening of the congress are being discussed.

### The Opera 'Evita'

The Cordoba Attorneys Center for Social and Legal Studies, of Peronist orientation, requested that President Jorge Rafael Videla take the necessary steps to prevent the opera "Evita" from entering the country, because it is of the opinion that "it distorts the objective, historical truth, insults the nation's institutions and besmirches the sacred memory of Eva Peron."

The attorneys also sent individual document-letters to the National Council of the Justicialist Party and the secretary of the Cordoba regional CGT [General Labor Confederation].

The entity claims that the opera "Evita," which is being shown abroad with great success, "seeks to ridicule the image of Gen Juan Domingo Peron," and that, therefore, "the introduction of the various versions (televised, movie, stage or other) currently being disseminated abroad, should be prevented by any means, so as to preclude its dissemination and showing in Argentina."

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CSO: 3010

## DAILY SUPPORTS LIFTING STATE OF SIEGE

FY211624 Buenos Aires LA PRENSA in Spanish 18 Apr 81 p 6

[Editorial: "'Sine Die' State of Siege"]

[Text] On 6 November 1974 the national government promulgated Decree No 1,368 declaring a state of siege in the entire national territory with the hope of putting an end to disorder and counteracting increasing subversive and terrorist activities. At that time this measure was reasonable and necessary without recognizing the fact that the government itself had created this difficult situation.

Due to the bloody struggle between security forces and the agents of subversion, the government was obliged to maintain the state of siege after the change of government which took place on 24 March 1976. Nevertheless, on a later date the government promulgated Law No 21,650--regulating Article 23 of the constitution--ordering the suspension of public order guarantees in some cases. The regulation refers to arrests ordered by the executive branch and the right of option to leave the country.

Considering that the reasons for the promulgation of the state of siege in 1974 and its extension have disappeared, we have said on several occasions that the enforcement of this measure--in detriment of basic individual and collective rights--is not justified. The same position was advocated by the Argentine Bar Association (FACA) during the meeting held in Mar Del Plata recently when it reiterated the need "to lift the state of siege in force for more than 6 years because it is no longer necessary due to the peaceful situation prevailing in the country." This organization believes that the guarantees protecting individual rights must be fully reestablished, including the right protecting peoples' freedom.

It is worth recalling that the state of siege is a valid measure if the reasons for its promulgation still prevail, but its enforcement for an indefinite time can provide adverse results by becoming a permanent factor of public uneasiness. This fact has not gone unnoticed by the FACA, an association which has expressed alarm over "the arrest of many citizens held in official prisons without process and lawyers to defend them and the lack of information about people who are still missing." The FACA believes that the right of option to leave the country referred to by Article 23 of the constitution is also not fully enforced.

In reality, the state of siege is not applied at this time as a necessary way to repress subversive or terrorists activities--activities which the government itself

says does not exist--but to take care of secondary matters which can be resolved without the enforcement of this exceptional measure. It is not right to use the powers conferred by the state of siege to arbitrarily arrest people and then deprive them of legal protection.

The suspension of constitutional rights must in all cases have a time limit that does not go beyond the time required to reestablish public order and preserve the moral and material values protected by the constitution. The "Sine Die" state of siege is contrary to the spirit of the national constitution, a constitution that particularly guarantees the right of citizens.

CSO: 3010/1201

## COLUMNIST VIEWS FIRST LABOR UNION ELECTIONS

Buenos Aires CONVICCION in Spanish 25 Mar 81 p 10

[Article by Ruben Ortiz: "The First Union Elections"]

[Text] Today, the marine electricians' union will call elections, thus becoming the first of the sectorial entities to take that step leading to the normalization of its operation as an organization; because it has not renewed its officials since 24 March 1976.

That organization is one of the four which were empowered to hold elections (the others are the unions of marine pursers, grain receivers and movie operators); and, although the news had been known some weeks ago, the official notification has just arrived.

For this reason, the leaders of the marine electricians will meet today with the national director of professional associations, Lt Col-auditor Luis Maria Borla, for an explanation of certain details of the mechanics to be followed. Later, at the end of a meeting at the organization's headquarters, the convocation of the elections will be made official. The period is 3 months, but it will not be used in its entirety.

#### System of Constant Consultations

Meanwhile, the movements of the leading labor union groups continued and, although the National Labor Commission (CNT) and the Commission of 20 did not succeed in forming an "intersectorial" entity, they agreed on a system of constant consultations that will keep the possibility of a final joining latent.

The night before last, the "20" rejected the CNT's proposal to hold a plenary session this very week; but they hinted that they might agree to hold it later. From that plenary session the new CGT [General Labor Confederation] should result, and would oppose the one currently comprised of the majority of unions of the Commission of 25.

The heads of the present CGT are preparing a report that will be disseminated once it has been submitted for the consideration of the participants in a multisectorial meeting that is being planned. That meeting might be held today, or during the next few days; and the union leaders are confident that representatives of all the political parties which held individual dialogs with the CGT, including the Radical Civic Union, will participate.

Moreover, tomorrow the CGT will disseminate another report addressed to the labor movement, in which it will make an assessment, from the union standpoint, of the administration of the present military government, and will announce the objectives and aspirations of the group for the immediate future. The CGT leaders met last night to devise the tone and the final portion of that statement, and they will continue to do so this afternoon.

Tomorrow, the minister of labor will leave his 2-year administration as head of the ministry. From what has been disclosed, the official will not speak on television (some of his colleagues did so), but rather will read a message to the ministry's personnel which will subsequently be made public by the press office.

The present minister will be succeeded by Brig Julio Cesar Porcile, who has been visiting the headquarters of that ministry on a regular basis for several weeks, in order to become apprised of the matters on which he will have to make decisions starting next week.

The presence of Brigadier Porcile in the Labor Ministry has aroused expectations among the union leaders, some of whom held a steady dialog with the official when he was head of the military intervention in the CGT.

Yesterday, a rumor was circulating to the effect that Brigadier Porcile received three of the main leaders of the same number of labor union groups in existence, that is, the General Labor Confederation (CGT), the National Labor Commission (CNT) and the Commission of 20, at that time. Some union spokesmen also said that it would not be surprising if contacts occur soon between the sectorial leadership and the military authorities. However, although several individuals repeated the rumor, no one confirmed it convincingly.

2909

CSO: 3010



## BRIEFS

OPPOSITION DENIED EQUAL BROADCASTING TIME--Bridgetown, Barbados, 22 Apr (CANA)--The Barbados Government today flatly rejected opposition claims for equal time in political broadcasts at election time. Government made its position clear as the House of Assembly passed a bill establishing an Electoral and Boundaries Commission. The commission will regulate the conduct of elections and, among other things, political broadcasts preceding a poll. Prime Minister Tom Adams, who is widely expected to call an election soon, said that he had already decided that there will be five election broadcasts, three for the government and two for the opposition. There is no such thing as equal time in election broadcasts, Mr Adams said, in reply to a call from deputy opposition leader, Erskine Sandiford. Mr Adams said that in every country where there are political broadcasts, the government is always given an extra allocation as a final reply. The government intends to maintain procedures always existing in Barbados, the prime minister said, noting that the previous Democratic Labor Party (CLP) regime had itself (?not) been given equal time. [Excerpt] [FL222010 Bridgetown CANA in English 1958 GMT 22 Apr 81]

BROADCASTING STATION TEST TRANSMISSIONS--Bridgetown, Barbados, 19 Apr (CANA)--The Voice of Barbados, the second commercial wireless broadcasting station here, goes on the air Tuesday with a series of test transmissions. The locally-owned 20,000 watt radio station will broadcast on a frequency of 790 kilohertz on the medium wave band. The station will be operated by Redifussion, which for more than 40 years has run Barbados' lone wired radio service. Redifussion, formerly owned by the British Communications Group, was bought last year by the Nation Company, which publishes the DAILY NATION newspaper and the SUNDAY SUN. Barbados' other commercial radio station is the government-owned Caribbean Broadcasting Corporation (CBC). [Text] [FL200226 Bridgetown CANA in English 1804 GMT 19 Apr 81]

CS0: 3025/1007



## PAPER VIEWS TIN COUNCIL PROBLEMS

PY210124 La Paz PRESENCIA in Spanish 12 Apr 81 p 3

[Editorial: "The Failure of the International Tin Council"]

[Text] The 22d ordinary meeting of the International Tin Council has concluded in failure. And it was not just an ordinary failure, but one that has the nature of a conflict because the producing nations abandoned the meeting because their national and just proposals were rejected by the industrialized and rich nations that are the large consumers of the metal.

The conflicting positions of the consumers and producers became unavoidable when it was observed that, as soon as the problem of prices was brought forward, the rich nations were demonstrating that their "generosity" had come to an end and the field of confrontation was entered and in this field the strong always have the greater probability of imposing their ideas, no matter how mistaken they are.

There were three main points of disagreement.

The first one refers to the official scale of prices. The producers desire an increase in prices because they must reflect the market's reality and because production costs have increased due to the increase in the price of various inputs, which are mainly manufactured by the large industrial nations, among other reasons.

The second point, which is a consequence of the first one, refers to the moderating action of the buffer stock. If the minimum limit is low the moderating fund cannot go into action until the prices are lower than that limit. If the price increased, the fund could make purchases as soon as the price is higher than the current one and thus the current offers on the market would decrease thus leading to the possibility that prices would recover. Having in mind only their own interests, the consumers prefer to keep price scales low because in that way prices tend to decrease, thus giving the purchasers an advantage and harming the producers.

The third point refers to the stockpiling of reserves. According to the consumer nations, they should be small, better still if they do not exist, because then the supply will increase and the prices will decrease. According to the producers, the reserves should be high so that prices will increase with part of the metal being withdrawn from the market.

As can be observed, the positions are very conflicting. The consumers know that they are strong and they naturally take advantage of their privileged position, which is traditional.

Nevertheless, it is certainly positive and worthy of mention that the producers reacted unanimously in order to defend their legitimate interests. If this unity is maintained, as it should be, there is the possibility of seeking the only constructive outlet for the situation in which the tin sector now finds itself: that of controlling the export, and even the production, of the metal.

In effect, the fact is that there currently exists an excess of supply, a negative factor at a time of a generalized economic recess and with an article that has a restricted outlet, one that is difficult to expand. This excess has grown to such an extent that it has created a dangerous situation that is being taken advantage of by the consumers and will be more so in the future unless preventive measures are taken.

In order to strengthen their position, the producers must adopt the attitude that was proposed by Bolivia some time ago: control. Control, in the first place, of the exports, in this way each country will stockpile the metal in order to sell it when the market is favorable. But it would be even more radical to reduce production, a decisive factor, as has been demonstrated on previous occasions.

There could be a few weeks with reduced income, but there would then be an equilibrium between supply and demand on the international market which would make prices recover: each country would receive more money with reduced production. Any type of calculation can demonstrate this.

There is an indispensable condition for this attitude to be successful: that the producers operate as they have done so far, with a very strong unity, rejecting the divisive temptations that the consumers will undoubtedly offer.

CS0: 3010/1202

## FIGUEIREDO CONGRATULATES REAGAN ON COLUMBIA MISSION: OTHER COMMENTS

## President Congratulates Reagan

PY151922 Buenos Aires LATIN in Spanish 2225 GMT 14 Apr 81

[Text] Brasilia, 14 Apr (LATIN-REUTER)--Brazilian President Joao Figueiredo today expressed his congratulations to his U.S. colleague, Ronald Reagan, on the success of the space mission carried out by the space shuttle Columbia.

The chief of state expressed his congratulations on the brilliant success of the shuttle in the name of the Brazilian people and government, according to official sources.

In his telegram, Figueiredo congratulated the crew and the technical team that was responsible for the project and he maintained that the Columbia mission has passed into the history of space conquest as a notable implementation of U.S. technology.

The end of the space trip made by the Columbia was watched today by millions of Brazilian television viewers through a direct transmission from the U.S. military base of Edwards, California.

## Daily Views Columbia Flight

PY160323 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Apr 81 p 3

[Article from "Notes and Information" page: "Man's Search for the Infinite"]

[Excerpts] The success of the Columbia flight is specifically the triumph of U.S. optimism which did not yield to delays caused by technical or administrative reasons. That optimism, which was fully confirmed yesterday, is a distinctive trait of the American way of life despite the difficulties that country is experiencing. But it is not only the triumph of optimism matched with resolve, but of the fact that the dramas which shook the nation (and still shake it, as attested by the attempt on Reagan's life) do not undermine the faith Americans have in the virtues of an open society which carries out all its undertakings in public view, not in the secrecy of the closed society where only successes are officially made known, not the failures.

Millions of Americans and non-Americans throughout the world have followed over television and radio networks the launching and landing of the space ship. Thus

they were able to witness the success of U.S. technology, just as they could have witnessed its resounding failure. On this hinges the incomparable superiority of the American way of life despite all the criticisms that can be leveled at it. U.S. citizens have gained the right to be able to witness successes (as in the case of the Columbia) or failures (as in the case of Vietnam which U.S. television did not hesitate to show). This is a right which imposes on U.S. citizens the obligation to assume credit for the successes and responsibility for the failures.

That right--and the subsequent obligation--does not exist in the Soviet system whose leaders are now experiencing a sensation of technological and political frustration, despite all the achievements in space which Soviet scientists have already attained. With the logic of the centralized system, that frustration prompts Soviet leaders to see the Columbia success as nothing but a military feat connected with a new arms race. Just as the satellites--of which Sputnik marked a starting point and posed a challenge--today serve for meteorological or strategic observations, the Columbia will serve either purpose, depending on the relations of forces established between the two superpowers. Both are confronted with their specific problems in addition to those emerging from their relationship to maintain either a stable or a continuously subverted international order. The Soviet accusation disparaging the U.S. success results from a self-criticism that is not made public: were it not for the violations of the Helsinki accord and the invasion of Afghanistan which led the United States to discontinue the scientific cooperation agreements with the USSR, the Columbia success might have well been shared by Moscow also. In this regard, the Carter human rights policy proves valid making the Soviets realize the price they have to pay, in loss of prestige and technological lag, for their stubborn violation of international law and order.

The greatest lesson from the Columbia success is that free competition and cooperation represent the driving force of scientific and social progress. Let us hope that the Soviets, who are today fidgeting over their errors in the political arena, should come to recognize the truth of that lesson. Only then will they be able to see that just as Gagarin was a pioneer, Young and Crippen are also pioneers. Accepting this proposition, the Soviets with their infantile atheism and the Americans with their faith strengthen in us the belief in the human being who was born to pursue self-improvement and to reach out to the infinite in a dream which drives him to begin anew, from nothing, always and to go further every time, compelled by that spark of immortality which inspires him to try to conquer space and time, symbols of all our limitations.

#### Space Shuttle's Performance Lauded

PY151828 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 15 Apr 81

[Commentary by Newton Carlos]

[Text] The pictures of the launching and the landing of the reusable space shuttle Columbia were a great show of technique and precision. But what is the significance of all this, of a costly project totaling \$10 billion?

In the first place, it marks a major advancement in the U.S. space program. The United States already sent the first men to the moon and it now has launched a reusable space shuttle, which can be used up to 100 times.

Another important fact is that the performance of the space shuttle Columbia has markedly emphasized the difference between the U.S. and the Soviet space programs. While the Soviet projects focus on the use of heavy instruments and on putting men in special platforms where they live and work, the U.S. space program is characterized by high precision and technology. Thus, the performance of the space shuttle Columbia was a show of high technology and precision.

CSO: 3001/170



## NEWSPAPER VIEWS ATTACK AGAINST PRESIDENT REAGAN

PY070315 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Apr 81 p 3

[Article from the "Notes and Information" page: "Anguish and Certainty"]

[Excerpts] It would be unnecessary to say how much the attack against President Reagan affects us as liberals and, consequently, as citizens of the world who look toward the United States, with all its errors, as the world's democratic power. In addition to feeling this way as liberals, we are shocked as human beings who abhor violence because it does not solve human problems but makes them worse by spreading terror and insecurity.

President Reagan is trying to restore U.S. power and status in the world. That policy, although still hesitant and suffering internal cabinet crises, necessarily enhances the splendor of the institutions, the presidency, congress, the supreme court and the establishment. The majesty of power draws attention but, above all, it provokes the nonconformists, especially when they can find no political parties to channel their sentiments, precisely because those sentiments are antagonistic to those of the existing parties. For this reason all attacks against U.S. presidents have been determined by individual motivations, some of them of an anarchist tint, but never by internal political quarrels. The hands of the would be assassins have not been armed by struggling factions which George Washington feared could cause the disintegration of the republic, but by madness or by a vague idea of anarchy.

We are overpowered by two sentiments at this time: one of revulsion for the criminal act and the other one of certainty about the security and stability of U.S. institutions proven even through a civil war. These sentiments are coupled with a reflect of a personal nature: Reagan does not resemble a monarch although he has more absolute power than Louis XIV. Although he cannot say l'etat c'est moi, he can say that he holds the power to preserve peace or to unleash war. As any common U.S. citizen, he loathes the idea of big government. We recall two noteworthy phrases in his inauguration speech: "Government is not the solution" and "We are a nation which has a government, not the other way around." And because he is a common man who is president of a nation whose institutions can withstand so many upheavals, our respect for him is even greater. At a moment of utmost danger, he showed himself to have the moral courage not to cringe at the thought of death and set an example of stamina in a human being inspired by faith in an ideal.

This is the ideal of democratic and republican freedom which comes down from the founding fathers and still persists in the common U.S. citizen. And it is so regardless of the feeling of the nonconformists who, rather than working for the improvement of the institutions, try to assassinate the symbols of those institutions.

## TRADE BALANCE DEFICIT DROPS THIS YEAR

PY221523 Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Apr 81 p 16

[Text] Brasilia--The deficit of the Brazilian trade balance in March amounts to \$156 million--[it was] \$456 million in March 1980--with exports totaling \$1,728,000,000 and imports totaling \$1,884,000,000. The deficit accrued during the first 3 months totals \$416 million against \$1,147,000,000 during the same period the previous year, which shows a declining tendency in the trade balance.

On releasing these data, Carlos Viacava, secretary general of the Finance Ministry, reaffirmed that the government expects a surplus in trade relations with foreign countries in 1981, and stated that this result is perfectly feasible if the 25 percent growth recorded in exports between January and March is maintained.

The data for the first 3 months this year indicate that, with exports, \$5,181,000,000 were achieved in foreign currency, against \$4,117,000,000 during the same period in 1980 showing an increase of 25.8 percent. Coffee provided \$510 million--\$473 million in 1980, with an increase of 7.8 percent. The item "others" presented exports totaling \$4,610,000,000 (\$3,644,000,000 in 1980), with an increase of 28.2 percent.

Imports totaled \$5,597,000,000 in the period between January and March 1981. The purchase of petroleum totaled \$2,648,000,000 against \$2,238,000,000 last year, with an increase of 18.3 percent. Wheat imports totaled \$214 million (\$259 million in 1980, with a drop of 17.4 percent), while the item "others" totaled \$2,735,000,000 (\$2,967 million in 1980, with a drop of 7.8 percent).

Considering only March, coffee sales abroad earned \$153 million, against \$340 million in March 1980, a drop of 55 percent. The Finance Ministry secretary general explained that Brazil, compelled by international agreement, shipped only 1 million sacks in March, in addition to the drop in prices in the international market.

The item "others," however, presented an increase of 42.9 percent, with exports totaling \$1,575,000,000--\$1,102,000,000 in March 1980.

Regarding imports, a drop of 20.2 percent was observed in the purchase of wheat, and 2.3 percent of "others," while petroleum purchases increased 3 percent. Wheat imports totaled \$71 million (\$89 million in March 1980), and petroleum imports totaled \$894 million (\$868 million last year), while "others" totaled \$919 million (\$941 million in 1980).

Viacava considers it normal that during the first 3 months of the year, the trade balance presents a deficit, a fact which does not worry the government. According to him, beginning in April, and especially in May, the results will mark the beginning of marketing the agricultural harvests and the return of the credit-premium by the IPI (finished goods tax) for export of manufactured goods.

#### Trade Balance

##### Exports

	<u>March 1981</u>	<u>Jan/Mar 1981</u>
Total	\$1,728,000,000	\$5,181,000,000
Coffee	\$153 million	\$510 million
Others	\$1,575,000,000	\$4,671,000,000

##### Imports

Total	\$1,884,000,000	\$5,597,000,000
Wheat	\$ 71 million	\$214 million
Petroleum	\$894 million	\$2,648,000,000
Others	\$919 million	\$2,967,000,000
Difference	\$156 million	\$416 million

Source: CACEX [Bank of Brazil Foreign Trade Department]/Finance Ministry

CSO: 3001/170



## CENTRAL BANK PRESIDENT ADMITS POSSIBLE MONETARY BUDGET

PY221143 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 81 p 25

[Excerpts] Central Bank President Carlos Langoni has admitted that the limits set in the monetary budget might be changed to prevent a worsening of "the undesirable side-effects" of the strategy to fight inflation, such as unemployment, adding that the government's concern is avoiding a hyperinflation which "could upset the country's political stability."

During a session of the Congressional Investigation Commission [CPI] investigating high interest rates and expenditures in the nuclear program, in reply to criticism made by Deputy Ademar Santillo, Brazilian Democratic Mobilization Party of Goias, Langoni said that the government is already reviewing priorities in public investments, but that this is a complex problem.

Debating with members of the CPI, the Central Bank president repeatedly said that the government is watching closely the effects produced by the tight monetary and credit control and is maintaining a flexible attitude to expedite the workings of "appropriate instruments" to make corrections should a liquidity crisis arise. He then said that "the government does not always act correctly and frequently errs, because it is made up of human beings."

The Central Bank president affirmed that Brazil will not adopt a "recession-causing prescription," adding that opening the economy toward foreign markets constitutes an effective mechanism for avoiding recession and unemployment. According to him, the implementation of the economic policy can allow for the adoption of measures to avoid socially undesirable effects from the control on the monetary and credit supply.

Langoni also argued that had the government adopted a shock treatment, "positive results in the fight against inflation certainly would have been obtained already." He recognized that despite the gradualism of the appropriate monetary and fiscal policy there are no clear signs that the inflation rate is declining, but that it is remaining stable.

CSO: 3001/170

## ECONOMIC SITUATION SEEN THROUGH INTERVIEW WITH DELFIM NETTO

PY210335 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 81 p 3

[Article from "The Notes and Information" page: "Painful but Effective Readjustment"]

[Text] The interview Planning Minister Delfim Netto granted to this newspaper does not reveal anything new. To ask more from a minister who is making statements every day would be too much. Nevertheless, although broaching the most varied topics, Minister Netto stressed the country's current economic situation, saying that it is going through a readjustment process demanding sacrifices which will not yield immediate results, but which over the medium term will permit us to look calmly at the near future.

In the interview, the planning minister may have given the impression that he is considering the fight against inflation as a matter of secondary importance because he emphasized the priority the government is assigning to the improvement of the balance of payments. But there is no reason to believe that Minister Netto is unconcerned about the price increases, because he knows very well that we cannot feel at ease with the current rate of inflation. But, from a short term and realistic perspective, he insisted that inflation can be fought gradually while the problem of the balance of payments must be solved as soon as possible to avert a serious recession for which there will be no remedy.

Increasing exports constitutes the planning minister's main concern and he is satisfied with the fact that the initial positive results with the trade balance contributed to changing the attitude of foreign bankers toward Brazil. An irreparable error would have been committed had the foreign indebtedness been increased, in other words, had the participation of "foreign savings" been enlarged to finance domestic investments. The opposite is taking place now. On one side, the government has tried to reduce its investments--without making cuts as governments of other countries have done--and on the other, it has tried to promote internal savings. These two measures have made it possible to keep the foreign debt stable in real terms. Since the real value of exports is increasing, the foreign debt is decreasing in relative terms.

At this time when a real recession psychosis is seizing the country, it is understandable that Minister Netto focused very special attention on the state of the economy. The minister's calm attitude in the face of the current situation, which is marked by growing unemployment, might seem cynical to some. But, although recognizing that unemployment is on the rise, Minister Netto thinks that it is a

localized phenomenon which can only be observed in some sectors. Furthermore, he noted that to make a good evaluation it would be necessary to compare the current level of employment with the level during a normal situation, not with the peak reached last year when demand boosted employment by 9 percent.

Deep down, however, the calm of the planning minister is based on the fact that a significant position has been reached: Brazil has not as yet adjusted to the oil crisis, but is now moving toward such an adjustment. There is a substantial change in demand, and this permits us to say that if the demand structure is changing, the production structure must also be changed. The minister believes that this year demand will shrink by 10 to 15 percent, and notes that the effect of such shrinkage is more noticeable at the beginning because the first reaction of merchants is to get rid of their merchandise stocks and to transfer to industry the financing of the stocks they need. Therefore, the reduction in demand at the consumers' level has a greater initial effect on industry. Nevertheless, there will be a return to a normal situation, although the level of demand will remain lower than the 1980 level in some sectors which are affected by the change in demand. Only those sectors that manage--with substantial assistance from the government--to expand their exports will be able to withstand the effects produced by the fact that future demand will stay at lower levels.

However, Minister Netto failed to convince us that the effort to promote exports will have no inflationary effects, even considering that increased production implies increased revenues. The minister was forced to admit that "any readjustment process causes inflation," noting that other factors may help to alleviate such inflationary pressures, particularly the lower demand in some sectors, a lower demand which is already pushing real prices down--or list prices at least.

The planning minister continues to affirm that this year industry will grow 6 percent and that there will be signs of inflation declining although the inflation rate will still remain abnormally high. Perhaps an omission in the minister's declaration was not giving assurance that the government is in the position to act (as we believe it is) if the drop in demand does not simply represent a change in buyers' attitude and if then it becomes too pronounced.

CSO: 3001/170

## PLANNING MINISTER REFUTES IDEA OF ECONOMIC CRISIS

PY211836 Rio de Janeiro O GLOBO in Portuguese 17 Apr 81 p 13

[Excerpts] "We are not at the brink of an economic crisis by any means. With a 6-percent growth, can we speak of crisis?" This was Planning Minister Delfim Neto's reaction to declarations made by some business leaders that the economy is heading for a crisis.

Neto denies the validity of the argument that an increase in the unemployment rate is a sign of crisis. According to him, the statistical data reported by the Brazilian Geography and Statistics Institute (IBGE) that there was an 8-percent drop in job opportunities in January of this year must be better understood.

The planning minister believes that the fluctuation in employment indicates that only two sectors "have real unemployment," namely, the car-manufacturing and the electronics sectors, "in which opportunities really declined."

Neto concurs that the policy implemented by the government of adapting the structure of need to opportunities is affecting especially small- and medium-size private companies. Nevertheless, the basic cause of this fact is the very process of adapting the economy to the petroleum crisis.

There had been a great disparity between the increased demand for jobs and increased opportunities, and therefore we have a high level of inflation. Production cost is not the whole cause of inflation, only part of it. Inflation was caused mainly by the imbalance between investment and savings.

For the planning minister there was only one strategy to be adopted: Making the adjustment in a less dramatic way:

We are not increasing investments but are trying to push the level of savings to the level of investments. This involves changing the structure of demands.

Take a good look at this: We are facing a physical fact which cannot be solved with a simple monetary trick. There are people who say: "Free credits and everything will be settled." It was settled for only 2 months, because inflation took off again, going over 200 percent. There is a minimum period for this process of readjustment, but we are going in the right direction.

According to Neto, one must understand that the strategy is seeking other objectives in addition to that of curbing inflation, which means eliminating the deficit in current accounts.

The deficit is the difference between savings and investment. Although Brazil is going to use foreign savings, we must reduce the differences to bring current accounts into equilibrium. We cannot have a deficit of \$12 billion.

Neto gives assurances that his strategy will come out right: Domestic savings is increasing. The trade balance is beginning to even up. Transactions in current accounts will also come into equilibrium and we are already receiving the first signs that the price increase rate is dropping.

According to Neto, the current Brazilian situation will not be overcome "by any ideological trick."

When I hear somebody say: "It is the result of the model," I find it stupid. The models for a planned economy are different and are facing the same situation because there is the problem of adjusting to the prices of petroleum throughout the world.

Neto adds: I don't find it productive to maintain the tough position that everything is quite difficult. We have to pay \$54 billion in foreign debt over a period of 10 years. We have no problem with doing the "roll-over" [given in English].

CSO: 3001/170



## LABOR MINISTER VOICES CONCERN OVER UNEMPLOYMENT

PY151523 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 15 Apr 81

[Excerpts] Labor Minister Murilo Macedo will go to Porto Alegre this afternoon to discuss the proposed reduction of working hours with union leaders and to listen to their grievances stemming from the crisis experienced by some sectors of the Brazilian economy.

Macedo said in Brasilia that the automobile, electrical, electronic, household appliances, and agricultural implement industries are all undergoing a crisis. He noted that readjustments and greater creativeness will be necessary to overcome the crisis.

While expressing great concern over unemployment, he said that the situation is still not desperate. He said that what worries him is that unemployment may worsen and become a serious problem. He said that, in accordance with his calculations, Volkswagen has already fired 10,000 workers in Sao Paulo--which is equivalent to 50,000 persons--and that General Motors already fired between 1,500 and 2,000 workers. Readjustments will be necessary since the crisis is indicative of changes, he added.

Macedo disagreed with Industry and Commerce Minister Camilo Pena over the latter's contention that the wage law is a factor in boosting inflation. He said the wage law could be a factor in inflation only if we were paying above the inflation rate--which we are not doing. He does not share the idea that inflation should be fought by holding wages down.

CSO: 3001/170

## BRIEFS

**CHANGE IN FALCAO LAW**--Belo Horizonte--Justice Minister Ibrahim Abi-Ackel has given assurances that the Falcao Law will be changed before the 1982 electoral campaign, because "debating over radio and TV is an insuperable means the candidates have to make known their ideas and party programs to the public." Abi-Ackel refused to anticipate the points to be changed within the Falcao Law, but stressed that possibly this subject could be submitted for a debate with opposition parties as it had been done with the Law of Foreigners. [Excerpt] [PY201903 Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 Apr p 3]

**PDS A DISADVANTAGE IN 1982 ELECTIONS**--At the meeting of the Political Development Council scheduled for 27 April, Senator Jose Sarney will submit to President Joao Figueiredo a report on his mission throughout the country. The report notes that the Social Democratic Party [PDS] is at a disadvantage for success in the 1982 gubernatorial elections in 10 of 22 states of the union. The Sarney mission, which was carried out at the suggestion of the president himself, found in many states not only divisions which threaten the unity of the PDS, but also a lack of popular leadership for direct elections. The worse problems were found in the northeast, Minas Gerais and Sao Paulo. [Text] [PT211631 Rio de Janeiro JORNAL DO BRASIL in Portuguese 20 Apr 81 p 1]

**OPPOSITION VICTORY PROMISED**--Brasilia, 20 Apr (TELAM)--The Brazilian Democratic Mobilization Party (PMDB), the most important opposition group, has given assurances that through an alliance with other opposition trends, it will defeat the government party in the 1982 congressional elections. Deputy Fernando Coelho, PMDB vice president in the Chamber of Deputies, stated today that despite government remarks that the Social Democratic Party (PDS--government party) has benefited from government action to overcome the effects of drought and floodings in the northeastern region of Brazil, the opposition did not lose ground in that region. Coelho stated that "as happened in other important regions in the country, the alliance of opposition parties will achieve an overwhelming victory in the northeast where 30 million Brazilians are victims of a concentrating and elitist economic policy which benefits only a privileged minority group without any social concern." [Text] [Buenos Aires TELAM in Spanish 1138 GMT 20 Apr 81]

**BOND SALE IN JAPAN**--Tokyo--Brazilian Agriculture Minister Amaury Stabile met with Japanese Agriculture Takao Kameoka. They agreed that the world foodstuff supply will tend to get worse toward the end of this century and that Brazil has an important role to play in producing foodstuff for the world. This was revealed by Antonio Caraballo, adviser to Minister Stabile. In the same meeting, Kameoka

expressed Japan's interest in Brazil's efforts to make agricultural use of scrublands and lowlands. After arriving in Japan last Saturday, Minister Stabile met with Binsuke Sugiura, president of Japan's Long-Term Loan Bank. This Japanese bank is launching \$50 million worth of bonds of the National Cooperative Credit Bank of Brazil in the Japanese market. Sugiura told the Brazilian minister that the entire bond issue will be bought by Japanese banks and enterprises. The objective of Minister Stabile's trip to Japan is to obtain credits for financing the utilization of lowlands through installation of irrigation systems and to obtain the transfer of Japanese technology for the utilization of scrublands in agriculture. [Excerpt] [PY221148 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Apr 81 p 27]

MILITARY APPOINTMENTS--Brasilia--President Figueiredo yesterday made the following appointments within the army: Brig Gen Antonio Luiz Rocha Veneu, chief of cabinet of the army staff; Brig Gen Clovis Borges de Azambuja, director of property; Brig Gen Romero Lepesqueur Sobrinho, artillery commander of the 6th army division; Brig Gen Telmo Ariosto de Athayde Bohrer, director of communications and electronic material; and Brig Gen Paulo Figueiredo Andrade de Oliveira, commander of the 1st motorized infantry brigade. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Apr 81 p 5]

NEW MILITARY COMMANDER--Gen Tulio Chagas Nogueira has been appointed commander of the 3d Army. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 16 Apr 81]

CSO: 3001/170



## COMMENTARY NOTES INEFFECTIVENESS OF ANTI-CUBAN CAMPAIGN

FL151149 Havana Voice of Cuba in English to North America and the Caribbean 0700 GMT  
15 Apr 81

[Station commentary]

[Text] The Central Organization of Cuban Workers has published a list of slogans for May Day. They were published in all the Cuban newspapers over the weekend. These slogans will be prominently displayed on placards and billboards all over the country. In particular, they will be highlighted during the march for International Workers Day itself, which will be taking place in all provincial capitals. The main celebrations have been slated for Havana. A militant workers' parade will march across Revolution Square in the capital. A section of the territorial militia also made up of workers will pass by the reviewing stand.

May Day slogans cover the country's priorities. This year they are focused on production, defense and austerity. Eight of the 26 slogans call for stepping up production. Eight more underscore Cuba's internationalist commitment, the struggle for socialism and the party's unity with the masses. The rest refer to the Cuban people's ability to defend their country and the successes of socialism.

There are two specially significant slogans. They read: Yankees out of the Caribbean and U.S. bases out of the Caribbean. They reflect the tense situation provoked in the area by the latest U.S. maneuvers and threats. They also show Cuba's internationalist policy.

During last year's march in front of the former U.S. Embassy in Havana, the watchword was Yankees out of Guantanamo, meaning that Washington must relinquish the Cuban territory that's illegally occupied by a naval base at Guantanamo. The slogans now demand U.S. withdrawal from all its bases in the Caribbean. As we said, in the last 19 months U.S. threats and maneuvers have increased tension in this part of the world.

May Day marches in Cuba will have the same characteristics as the well-known marches of the fighting people in April and May last year. They followed the incidents at the Peruvian Embassy where a soldier was killed when a group of antisocial elements forced their way into the embassy. In response, the Cuban Government withdrew its protection from the diplomatic headquarters and announced that all those willing to leave the country through that route were free to do so with all legal guarantees. The rest is a familiar story: The Mariel-Florida Sea Bridge and

Washington's hue and cry over the avalanche of scum which was pouring onto its territory. The Cuban Government charged on that occasion that the Peruvian Embassy incident was part of a larger plan engineered by Washington and its Central Intelligence Agency.

Another incident at the Ecuadorean Embassy this year backfired and Cuba was able to expose the CIA's participation in the plot through the Portuguese charge d'affaires, Francisco de Sales Mascarenhas.

Anti-Cuban plans have always been on the CIA's agenda with its ups and downs depending on the situation and the atmosphere. But since Washington launched a slander campaign against a non-existent Soviet brigade allegedly newly arrived in Cuba during the second half of 1979, [words indistinct] evidence that imperialism was heating up the boilers for new and vast maneuvers. Threats against Grenada and Nicaragua have increased too. Now El Salvador is in Washington's rifle sight. U.S. puppets are also playing their parts. Colombia has unearthed the worn-out slogan of the exporting of revolution to break relations with Cuba.

But new times are too complex for old-time patterns. The new administration's increasing support for the Salvadoran junta may bring Washington more troubles than relaxations at home and abroad. The people in the United States and other countries are quickly identifying U.S. steps in El Salvador with the initial U.S. involvement in Vietnam. And the American people certainly do not want another Vietnam in their own backyard.

It's crystal-clear that straightforward, honest people don't want war. It's also crystal-clear for everyone to see that the socialist countries have never launched an aggressive action. And socialism is already 63 years old. Socialism has been developing in the largest country on earth for more than half a century and it has never posed a military threat to any other country. History has proven that and it's there for everyone to see. The threat comes from ideas but ideas do not threaten a country or a people but a system. That is what monopolies fear and that's why imperialism's echelons quiver. But you can't shoot down ideas. Again, all that saber-rattling is of no use.

CSO: 3020/91

## RECENT POLITICAL SITUATION IN BELIZE ANALYZED

PA230434 Havana International Service in Spanish 2310 GMT 22 Apr 81

["Our America" commentary]

[Text] Two political forces carry weight in Belize, the British colony which this year will proclaim its independence.

On the one side is the ruling People's United Party [PUP] headed by Prime Minister George Price, which is of progressive leaning and promotes the decolonization of the territory.

On the other side is the rightwing United Democratic Party [UDP] headed by Dean Russell Lindo, a furious anticommunist, racist and pro-United States.

Since Great Britain gave Belize its autonomy in 1963, Prime Minister George Price has remained at the head of the government. He has not only been able to garner the people in the struggle for independence, but has also acquired extraordinary international support for this just cause.

The Movement of Nonaligned Countries, the United Nations and even the OAS in its most recent annual assembly have expressed their support for Belize's independence and their rejection for Guatemala's territorial pretensions over the British colony.

By a landslide majority of votes, the most recent UN General Assembly approved a resolution in which it establishes that Belize must be independent before the end of 1981.

In the face of this mounting international pressure and many domestic problems, the Guatemalan regime had no alternative but to sign, along with Great Britain, some preliminary agreements on Belize's independence in which both countries promise to respect the territorial integrity of the new Central American and Caribbean state.

The Belizean people, who in the 1979 parliamentary elections gave their full support for Price and with it, for independence, celebrated the signing of these agreements, which led the opportunist, Dean Russell Lindo, to engineer a campaign in which he accused the government of introducing communism into the country and of delivering the national territory to Guatemala.

It is good to recall that although he has also declared himself a supporter of independence, Dean Russell Lindo has for years asserted that the Belizean people are not prepared for their emancipation. In addition, in all of his electoral campaigns, Lindo has accused George Price of seeking a lost war with Guatemala by provoking this country with his demands of independence for the colony.

Lindo, who receives large sums of money from the North American Mafia, has never hidden his intention to turn Belize into a satellite of the United States, to open up a chain of casinos on Belize's beaches, and to open the country up to Yankee consortiums.

Because of his ultrareactionary postures, Dean Russell Lindo even lost his parliamentary seat in the November 1979 elections.

Knowing now that the proclamation of independence will visibly favor the ruling PUP, Dean Russell engineered the campaign in which he accused Price of delivering Belize's sovereignty to Guatemala. Through this campaign, he and his supporters provoked serious disorders which cost the lives of three persons and considerable property damage in several Belizean cities.

Once again, the leader of the UDP failed because teachers and public employees, who at first allowed themselves to be dragged along by this campaign, soon understood they were being used for opportunist ends and, after breaking their bonds with that organization, voiced their decided support for independence.

In an interview granted in Belmopan to the PRENSA LATINA News Agency, Assad Shoman, minister of health, housing and cooperatives, stated that the preliminary agreements signed in London only give Guatemala the rights to use the Ranguana and Zapotillo bays, which belong to Belize. In the future, Guatemala will also have at its disposal three oil pipelines that will go through Belize to take petroleum from the jungles of El Peten to the Caribbean coast. But these pipelines, he pointed out, do not exist yet since there are no oil pipelines nor sufficient amounts of petroleum to justify their construction.

Shoman also stressed that although these agreements give Guatemala the right to use Belizean ports, this clause establishes reciprocity. No concession that harms Belize in any way has been made, he emphasized. We have not yielded a single inch of our territory.

Concluding, Minister Assad Shoman told PRENSA LATINA: The military of Guatemala have not suddenly become the good boys of Central America. For them, Belize's independence is not a concession, but a defeat.

CSO: 3010/1207

## MACHEL SENDS FIDEL CONGRATULATIONS MESSAGE

LD201600 Maputo Domestic Service in Portuguese 1030 GMT 20 Apr 81 3A

[Congratulatory message from FRELIMO Party president and People's Republic of Mozambique President Samora Machel to Fidel Castro, president of Cuban Council of State and first secretary of Cuban Communist Party--date not given]

[Text] On the occasion of the 20th anniversary of the glorious victory of Playa Giron, where the Cuban people smashed one of the strongest imperialist conspiracies, I wish, on behalf of the Mozambican people, the FRELIMO Party, the government of the People's Republic of Mozambique and myself, to convey the warmest congratulations to the Cuban people, the Cuban Communist Party, the government of the Republic of Cuba and to you, Comrade Fidel Castro.

The criminal adventure perpetrated by the reactionary forces at Playa Giron on 17 April 1961 and their defeat will remain recorded by history as a bitter lesson to the imperialist forces and their lackeys. The gallantry with which the Cuban people fought will ever serve as a source of inspiration wherever imperialist and racist adventures unleash their attacks, as they are doing in our part of Africa.

On this date, allow me, comrade president, to reaffirm the solidarity of People's Republic of Mozambique with the fraternal Cuban people. Our people wish your people further progress and prosperity in building socialism. We wish you, comrade president, personal good health and long life.

CSO: 3001/173



## BRIEFS

REAGAN ASSASSINATION ATTEMPT REPORTED--Havana, 30 Mar (AFP)--The Cuban news media gave quick and full reports on the attempt this afternoon in Washington on the life of U.S. President Ronald Reagan, but did not make any comments. Reports on the attack as obtained from Western news sources were given priority in Havana radio newscasts soon after the incident. Radio stations also reported that the television network will carry a summary this evening and later carry a more extensive step-by-step version of the attempt, presumably obtained from monitors of U.S. stations. [Text] [PA310044 Paris AFP in Spanish 0004 GMT 31 Mar 81]

VALDES AT GIRON ANNIVERSARY--Commander of the Revolution Ramiro Valdes, minister of interior and member of the Party Politburo, has chaired the Interior Ministry's main commemoration of the 20th anniversary of the Giron victory. At the ceremony held in Havana, the Victoria de Giron Commemorative Medal was presented to Interior Ministry combatants who participated in the heroic feat. Valdes himself presented the medal to Div Gen Jose Abrantes Fernandez, vice minister of interior. [Havana Domestic Service in Spanish 2230 GMT 14 Apr 81]

FMC GIRON CELEBRATION--Vilma Espin, alternate member of the PCC Politburo and president of the Federation of Cuban Women [FMC], made the closing speech at the FMC's main ceremony to mark the 20th anniversary of the Giron victory held yesterday at the scene of the historic events. In her speech, Vilma recalled the massive enrollment of the FMC members in the national militias and added that this same enthusiasm and fighting spirit were demonstrated now that they are joining the territorial militias. [FL152140 Havana Domestic Service in Spanish 1100 GMT 15 Apr 81]

CITRUS CONGRESS--Arnaldo Milian Castro, member of the Party Politburo and minister of agriculture, today made the closing remarks at the First National Congress on citrus and other fruits held for 3 days at Havana's Palace of Conventions. Milian Castro emphasized that development of citrus production was another achievement of our revolution. He recalled that only 900 caballerias of land were used for citrus prior to the revolution, while now there are 8,842 caballerias of citrus fields. [FL152140 Havana Domestic Service in Spanish 2122 GMT 15 Apr 81]

ANGOLANS AT WPC CONGRESS--Jose Cesar Augusto, member of the popular movement for the liberation of Angola-Labor Party Central Committee, arrived yesterday in Havana. Cesar Augusto is heading the Angolan delegation to the World Peace Council meeting to be held in Havana from 19 to 21 April. [Text] [FL161530 Havana Domestic Service in Spanish 1500 GMT 16 Apr 81]



**DAAFAR COMMEMORATION**--The Antiaircraft Defense and Revolutionary Air Force [DAAFAR]'s main ceremony to mark the 20th anniversary of the shelling of the Ciudad Libertad military airport, a prelude to the Giron invasion, was held yesterday at the DAAFAR's general staff headquarters. Col Tomas Benitez Martinez, first deputy chief of the DAAFAR troops and chief of the DAAFAR general staff, chaired the ceremony. The closing speech was made by Lt Col Gregorio Valdes Santoyo, who recounted the great people's victory and quoted the commander in chief when he said that all the peoples of America grew a little more free with this victory over imperialism. [Havana Domestic Service in Spanish 1700 GMT 16 Apr 81]

**MONTANE RECEIVES WPC'S CHANDRA**--Jesus Montane Oropesa, alternate member of the Communist Party of Cuba Politburo and chief of the Central Committee's General Department of Foreign Relations, has received Romesh Chandra in Havana. Chandra is president of the World Peace Council [WPC] and will chair a WPC meeting in our country slated to begin Sunday. The international situation as well as other topics of mutual interest were discussed during the meeting. [Text] [FL161518 Havana Domestic Service in Spanish 1700 GMT 16 Apr 81]

**CAMAGUEY UNIVERSITY MILITIAS**--The members of the first battalion of territorial militias at the University of Camaguey have been sworn in at a ceremony held at the university. The new militias were congratulated by Carlos Hernandez Chediak, chief of the territorial militias in Camaguey municipality. Two Palestine students made a donation for the financing of the militias in representation of the foreign student body. PCC first secretary in Camaguey municipality Manuel Chaos Piedra made the closing remarks. [Havana Domestic Television Service in Spanish 1800 GMT 17 Apr 81]

**PEASANTS' DECORATION**--The "Malagones," the first militiamen in our country, have been awarded the Revolutionary Armed Forces' [FAR] 20th anniversary medal at a ceremony held at the Maximo Gomez Academy. Div Gen Abelardo Colome Ibarra, first deputy FAR minister, and Div Gen Senen Casas, first deputy FAR minister and chief of the general staff, presided over the ceremony, while Antonio Nunez Jimenez gave the keynote speech noting how Fidel Castro entrusted the 12 peasants from Pinar Del Rio known as the "Malagones" in August 1959 with capturing the bandits terrorizing the area of Los Hornos Mountains. [Havana Domestic Television Service in Spanish 1800 GMT 17 Apr 81]

**CIENFUEGOS AT CEMA MEETING**--The 13th conference of officials of CEMA state labor organizations opened at the Palace of Conventions to exchange important experiences in the areas of labor, salaries and social security within the socialist community. Osmani Cienfuegos, member of the Politburo and vice president of the Council of Ministers, welcomed the delegates on behalf of the host country, Cuba, and asserted that the common interests of the CEMA nations guarantee the success of the conference. [Text] [FL212331 Havana Domestic Service in Spanish 2230 GMT 21 Apr 81]

**MALMIERCA'S NEW YORK GIRON REMARKS**--United Nations--Cuban Foreign Minister Isidoro Malmierca Peoli yesterday hosted a cocktail party for the diplomatic corps accredited to the United Nations on the occasion of the 20th anniversary of the victory in Playa Giron. The activity was held at the Cuban diplomatic mission located in a central New York district. Representatives of more than 50 countries of Asia, Africa, Latin America and some Western European countries attended the cocktail party. [Text] [FL221546 Havana Domestic Service in Spanish 1500 GMT 22 Apr 81]

RODRIGUEZ MEETS CEMA LEADERS--Carlos Rafael Rodriguez, member of the Politburo and vice president of the Councils of State and Ministers, has received the delegates to the 13th conference of CEMA labor organizations officials meeting in our capital. Topics of interest concerning the conference's agenda were discussed at the fraternal meeting with the participants of the event, which began on Tuesday at the Palace of Conventions. [Text] [FL222244 Havana Domestic Service in Spanish 2230 GMT 22 Apr 81]

RAPID RAIL MEETING--Commander of the revolution Guillermo Garcia and Jorge Risquet, members of the PCC Politburo, have presided at a Ciego de Avila meeting during which rapid rail route alternatives through the city were examined. The minister of transportation suggested that a closer look should be given to the project and recommended the participation of specialists from various fields of work. He also urged that a study be conducted on comprehensive projects including transportation of the population, future development of urban areas, railway motor coach as a means of transportation and a technical and financial examination of the entire study. After stating that the transportation of people using rapid transit system is very economical because of the fuel savings, Guillermo Garcia cited as example the railroad station in Sofia, capital of Bulgaria, through which some 300 trains pass by every day. [Text] [FL231413 Havana Domestic Service in Spanish 1100 GMT 23 Apr 81]

CSO: 3010/1207

## AID TALKS TO BE HELD WITH EDF, BDD OFFICIALS

FL211741 Bridgetown CANA in English 1730 GMT 21 Apr 81

[Text] Roseau, Dominica, 21 Apr (CANA)--The Dominica Government will shortly be holding talks with European Development Fund [EDF] and British Development Division [BDD] officials on agricultural and industrial projects earmarked for foreign aid, according to official statements issued here today.

The EDF's agricultural advisor, Broadhorst, arrives here tomorrow to discuss two projects: One related to the development of an essential oils industry and manufacture of perfumes and cosmetics, the other to the establishment of an agricultural information unit. The BDD's tree-crop advisor, David Jackman, is due on Monday for talks on a 1.5 million East Caribbean dollar (one E.C dollar; 37 cents U.S.) coffee project and the reconstruction of agricultural stations that produce plants.

The 74,000 dollar information unit project is aimed at bridging the information gap between the Ministry of Agriculture and farmers. The essential oils project is estimated to cost the Dominica Government 633,000 dollars. Among other things, it involves the cultivation of patchovli, a plant used in the manufacture of perfume. The government has also drawn up plans for expansion and rehabilitation of coffee estates.

Apart from discussing BDD assistance, Mr Jackman will visit the main coffee-growing areas here. The BDD is also involved in a program under which the acreage under cultivation of fruit trees is being expanded. It has already financed 1,000 acres of the program and government officials here said it was expected to provide aid for bringing another 1,500 acres under cultivation later this year

Gordon Bosson, projects officer in the Ministry of Agriculture, said that the BDD has approved 400,000 dollars for the reconstruction of the agricultural stations, but that most of this amount has already been spent or is committed.

CSO: 3025/1007

## COMMISSION GIVES REPORT ON MAY 1979 DISTURBANCES

FL162257 Bridgetown CANA in English 2228 GMT 16 Apr 81

[Excerpts] Roseau, Dominica, 16 Apr (CANA)--The top two men of the Dominica Defense Force, both now in detention for alleged involvement in a suspected recent plot to topple the government, have been severely criticized by a commission which investigated disturbances here in 1979.

The troubles resulted in the collapse of the government of Patrick John, who now is among the detainees linked to last month's alleged plot. The bloody event of 29 May 1979, took place within the precincts of government headquarters when soldiers opened fire on the crowd.

The commission's 32-page report recommended that immediate steps be taken to restore the police force to its established strength. The commission, headed by Caribbean jurist Aubrey Fraser, also recommended that consideration be given for training overseas for commissioned and noncommissioned ranks, and the establishment of a permanent local training unit within the force.

The main focus of the inquiry was the role of a detachment of defense force soldiers which was called in to clear the compound of demonstrators. When the soldiers opened fire one youth was killed, many other persons were injured. The report said the death of the youth, Phillip Timothy, and injury to others were caused by unwarranted and unjustified use of firearms by seven named soldiers.

It also found that the failure of the commander of the force, Maj Frederick Newton, to visit the scene at all and his failure to assume direct command of the conduct of the operation involving units at government headquarters were serious derelictions of duty amounting to negligence in the circumstances.

The second in command, Capt Malcolm Reid, came in for the most severe criticism by the commissioners. The report said the commission was satisfied that Reid ignored the principles that govern the actions of the military when assisting the civil power in maintaining law and order. It said consideration should be given to the question whether Captain Reid is a fit and proper person to hold any rank whatsoever in the Dominica Defense Force.

As far as the force itself was concerned, the report said that immediate consideration should be given to the purpose and role of the defense force and its fitness for such role.

Dominica is currently under a state of emergency and the government of Prime Minister Eugenia Charles (elected July 1980) has already announced a decision to disband the defense force.

## DELEGATE TO OPANAL DENIES U.S. MILITARY INVOLVEMENT

FL230031 Mexico City NOTIMEX in Spanish 2325 GMT 22 Apr 81

[Report by Mariela Chazaro]

[Text] Mexico City, 22 Apr (NOTIMEX)--The Republic of El Salvador is not and will not be involved in an arms race because it is an underdeveloped country, Jaime Alberto Lopez declared today. Lopez is the Salvadoran charge d'affaires in Mexico and delegate to the Organization for the Proscription of Nuclear Arms in Latin America (OPANAL).

He added that it is not true that his country is asking the United States for arms assistance. This is only misinformation; the present government of El Salvador has been the victim of this misinformation and we cannot refute it because we do not have the economic or moral capacity. [as received]

At this time we are engaged in solving the traditional economic problems of the great majorities of our people. He said that they have been forced to try to defend themselves owing to circumstances and that they have been the target of aggressions on the part of countries the names of which are perfectly well-known. He did not name them.

Our problem is a national problem and lies in the economic crisis. But, he said, El Salvador's present situation is better than 1 or 2 months ago. To date, Lopez said, the trade and industry situation is normal and there has never been a greater tourist influx to the resorts in the history of this Central American nation as there is now.

Concerning U.S. military participation in his country, he categorically denied that it existed and noted that not even the 56 U.S. advisors exist. Our problem has become the subject of gossip for interested parties who have deviated from the basic problem which is the human situation. However, he noted that there are indeed foreigners in his country but they are on the side of subversion.

CSO: 3010/1180



## JUNTA MEMBERS ON GUERRILLAS, ARMED FORCES, DEMOCRATIC PROCESS

Santiago EL MERCURIO in Spanish 5 Apr 81 Sec D p 13

[Interviews with Jose Napoleon Duarte, president of the Government Junta, and Junta members Jose Antonio Morales Ehrlich and Col Jose Abdul Gutierrez, by Lina Castaneda in San Salvador; date not given]

[Text] The state of internal violence that is causing upheaval in El Salvador has turned this country into the focal point of international attention for over a year. The status of this Central American nation has assumed even more significance this year, with the new strategy for the area adopted by Ronald Reagan's government.

In its 159 years of existence, El Salvador has had 113 changes of government, nearly all carried out by force. On 15 October 1979, a group of young military men overthrew the government of Carlos Humberto Romero, and later called upon civilian sectors of all political persuasions (including Marxists and representatives from the clergy and from labor organizations) to participate in a new government administration.

However, after action undertaken by the leftist groups to head toward a socialist revolution, the composition of the Junta was changed and, since 9 January 1980, the country has been headed by a coalition of the Armed Forces with the Christian Democratic Party. The Marxist forces, however, including the Social Democrats (MNR [National Revolutionary Movement]) opted for armed struggle.

Since the Junta was established on 15 October 1979, between 14,000 and 15,000 persons have died, according to official statistics.

## President Duarte Speaks

For 6 days, in an attempt to provide a clearer picture of what is happening in the country, EL MERCURIO was in San Salvador to obtain the opinion of top-ranking political leaders of that nation, concerning the reasons for the internal violence.

Jose Napoleon Duarte, president of the Government Junta and leading representative of the Christian Democrats, claims that, "Marxism has turned Central America into a volcano with six craters, and if they are victorious in El Salvador they would have two backup points with which to seek, along with Cuba, their definitive geopolitical entrenchment in the Caribbean and Central America."



[Question] What are the basic objectives of the present Government Junta?

[Answer] Our doctrine recognizes the political, economic and social ills that our system has produced, and proposes to change the structures. On 15 October 1979, the Government Junta decided to break off from 50 years of a past in which dictatorships were imposed on the Salvadoran Government.

From a structural standpoint, the pact between the Christian Democrats and the Army has made it possible to carry out the four great economic changes that have been implemented, which are based on the criterion that the country has only two elements: a little land, and many people.

Hence, agrarian reform has been vital, and its establishment has made it possible to take all the productive land in the country, which was in the hands of 3,000 persons, less than 1.5 percent of the country's total population. With agrarian reform, we propose to have 2.5 million persons, constituting 50 percent of the population, share in the land. This is not a matter of redistributing property, because the land is too meager to turn it over to each individual, but rather to give people the opportunity to have a future, a destiny.

This is the fundamental plan, but to make the structural changes, we also had to break the potential bottleneck that existed, whereby the agrarian reform could have been stifled. Therefore, we had to nationalize the banks and foreign trade, and create companies with mixed economies for the growing of the traditional products.

All this has been carried out in the midst of a violence wherein the extreme right, comprised of those who have had for all their lives the power over the land, all the banking, business and industry, as well as political power, finding itself faced with the loss of all its privileges, became aggravated and formed forces, producing an entire plan of violence, taking advantage of that major power structure that had been organized over the past 50 years.

[Question] So, in your opinion, the extreme right represents a threat to the government's stability?

[Answer] The extreme right is still powerful; it is constantly seeking an opportunity for an overthrow.

You can observe it in the campaign that the newspapers are running against the government. They do not accept justice nor liberty, and consider that they have been usurped.

[Question] What damage have the guerrillas done to the government?

[Answer] Well, in view of the socially inconsistent attitude of the right, and after having observed how the tests in 1972 and 1977 were quashed (a reference to electoral frauds), there were disappointed and radicalized groups which became guerrillas and set forth in a war to solve the problems of institutional violence with revolutionary violence, and thus obtained increased support from the people, who considered the state of the country to be without a solution.

All this took place until the coup d'etat occurred. Then, the plan changed, and there was offered a different alternative of a democratic revolution. There was no longer only revolutionary violence as an alternative, and this is the confrontation that has occurred in the country over the past 2 years.

The left does not accept the proposition of the democratic revolution, and upholds the proposition that only violence can liberate the people; and it has set forth in an arrogant manner, even calling upon the people to seize power with arms.

But the guerrillas operated more with international aid than with the people; and that is why they failed.

[Question] What international aid have the guerrillas received?

[Answer] International aid from countries such as the Soviet Union, Korea, Vietnam, Libya, Palestine, the German Democratic Republic, Czechoslovakia, Algeria and, of course Cuba, through Nicaragua. All of them have allowed the training of thousands of Salvadoran guerrilla fighters in their camps, especially in Cuba and Nicaragua.

They have also given the guerrillas all kinds of weapons and military logistics for this entire guerrilla process, which they want to impose. There is no doubt that Panamanian and Costa Rican territory has been used to smuggle arms.

[Question] What would be the consequences for Latin America of a possible victory of Marxism in El Salvador?

[Answer] There has been a great deal of talk about the domino theory related to Marxism in Central America; so its victory would be another step in the geopolitical plan that has been established. One would have to look at the map in order to realize how they have deployed their forces recently, particularly in the Caribbean and Central America: in Suriname, Grenada, Saint Lucia, Guyana, Jamaica and even the Dominican Republic, Cuba, of course, and now Guatemala; and later, Panama, Nicaragua and El Salvador. And at the present time they are returning to Colombia (M-19). All this without overlooking the danger in Costa Rica, where they have obviously begun violent action; and that is a center into which the logistic facilities and systems used to enable Nicaragua to ship arms to El Salvador have entered and had room. In Honduras, they are also causing social unrest.

I believe that they have turned Central America into a volcano with six craters, some larger than others. So, if they were to be victorious, they would have two backup points with which to seek, along with Cuba, and with the great airport center that they are setting up in Grenada, their definitive political entrenchment in the Caribbean and Central America.

[Question] What significance might the defeat of the guerrillas in the country have for the continent?

[Answer] In the first place, the domino theory would be weakened; and, secondly, there would also be a weakening of Nicaragua, whose revolution is not communist, even though the Marxists invoke the historic image of Sandino, seeking to take possession of his image; but he was never a communist.

I believe that if their attempts were undermined in Nicaragua, they would be forced to establish a more pluralistic system, that would eventually lead that country to democracy.

In addition, this would lead to a destabilization of the program that the left proposes for the area; and, finally, a new formula would appear for Latin America and the world, namely, a social revolution with a new significance which, for the first time, would break off from the dogma fostered by the Marxists to the effect that every revolution must be violent, anti-oligarchical, anti-bourgeois and anti-imperialist.

[Question] How would you describe the Junta's relations with the Chilean Government?

[Answer] We have good relations with Chile. The ambassador is a highly esteemed individual in diplomatic circles. We have held exchanges of views. The relations between Chile and El Salvador have always been very close, since the turn of the century, when Chilean military men, such as Gen Llanos e Ibanez del Campo, founded the Military School in El Salvador.

As head of state, I have respectful and very close relations, we might say, with the Chilean Government, through its ambassador; and, personally, I also have affectionate, warm and respectful relations with the Chilean people and my Chilean friends, especially Eduardo Frei.

Morales Ehrlich

Jose Antonio Morales Ehrlich, member of the Government Junta and also a representative of the Christian Democrats, conversed with EL MERCURIO too, regarding other aspects of the Salvadoran process.

[Question] Does the Junta have any intention of calling upon the extreme left to put down its arms and participate in the government?

[Answer] Look, we have proposed a democratic process with pluralistic participation, in which all forces can participate. What we cannot accept is an armed philosophy. There can be only one army in a country, and that is the army of the Armed Forces. They can participate, but without arms.

Now when they talk about dialog, I think that it is a mistake on the part of the Social Democrats; because they talk about dialog to form a socialist government in which the Armed Forces would be replaced by the guerrillas, and that is ridiculous.

Go out into the street, and you will observe, first, that an army does not surrender its arms to someone else, so as to be replaced; and, second, those are not the conditions which prevail in the country. But we are open to dialog, for their incorporation into the process of constructing the society.

[Question] Some sectors claim that the support given to El Salvador by the United States is a form of intervention. What is your opinion of those assertions?

[Answer] We are a sovereign country. We accept the aid that comes to us from other countries because there must also be international social justice, and this country was abandoned last year. Very few people helped us. Now, we are accepting that

assistance, and there is no doubt that certain socialist countries have aided and are backing the guerrillas, and that the position of the new American government toward the socialist countries favors El Salvador's position in that respect. This does not mean intervention in internal affairs, for we do not accept that. What we want are cordial, sincere and honest relations with the United States and with all the nations of the world.

This year, it is anticipated that the American government will give us military aid amounting to some \$25 million. We spent 2 or 3 years without receiving aid of any type. In the economic area, we hope to obtain about \$120 million, at the most.

[Question] How would you describe the current position of the Salvadoran Catholic Church toward the Government Junta?

[Answer] Much more cerebral and critical, when it should be, but also more liberated from the Marxist forces.

[Question] What is the period of time set by the Junta for leading the country to a state of stability and peace?

[Answer] We believe that in the year 1981 we shall have achieved the pacification of the country. The level of violence will cease to be a decisive factor in the country's political and social life this year.

In 1982, we shall have elections for a national constituent assembly, and in 1983, presidential elections; and we shall turn over the power in the middle of that year, possibly earlier, but not later.

#### Armed Forces

Col Jose Abdul Gutierrez, representative of the Armed Forces in the Government Junta, for his part, explained to EL MERCURIO the conditions prevailing in the country which brought about the coup d'etat of 15 October 1979:

"Before that date, everything was in a state of crisis in the country, and perhaps the most serious aspect was the negation of the people's political rights. The top-ranking political leaders of the country had been expelled, and the two preceding governments had been accused of electoral fraud, and there was a serious atmosphere of social unrest. The farmers were alienated, and the extreme leftist sectors had penetrated nearly all the labor and union organizations; and there were strikes every day in the productive enterprises.

"There was no sign of any possible settlement, and we in the Armed Forces could not remain aloof or indifferent toward the people's sentiments. We wanted to provide political openness, and that is why the coup d'etat occurred. Elements which are now with the extreme left, as well as the political parties, joined the government.

"This first attempt failed, owing to the action of the extremists, who forced the political forces to leave the government, so as to bring about international isolation and accuse El Salvador of being in the power of a preeminently military regime, claiming that there had been only a change of name in the government. At that time a coalition was formed exclusively between the Armed Forces and the Christian Democratic Party."



[Question] What is the current status of the battle against the guerrillas?

[Answer] Well, the fact is that we are fighting in the northern section of the country and in certain parts of the para-central area, which are the most troubled. But the situation seems to be more favorable for the Armed Forces now.

According to our calculations, the guerrilla forces amounted to between 9,500 and 10,000, approximately, and there were many foreigners among them: Nicaraguans who were unemployed in their country, Cubans, Venezuelans, Costa Ricans, Panamanians, Americans and even Germans.

Although we lack definite statistics, between January and the beginning of March of this year, about 2,300 guerrilla fighters were killed.

We can note that we are controlling the situation, because we know where we are striking. The fact is that, apart from the terrorist action every day, the destruction of bridges and electric power lines, we are not observing any major action on their part, except for attacks on small settlements, which are of increasingly less intensity.

[Question] Have the Armed Forces devised any deadline for controlling the guerrillas in El Salvador?

[Answer] It is very complicated to predict dates. It all depends on whether the Sandinist Front continues bringing arms into the country. But this could last for a long time, because terrorism is difficult to eradicate. With the mop-up operations that we have been carrying out, we manage to drive them out of one area, but they return to another that we had already cleared out; and we cannot leave forces everywhere, because we do not have many troops.

[Question] Is there any possibility of a division in the Armed Forces that might bring about a coup d'etat of the extreme right in the country?

[Answer] We think that the Armed Forces are integrated into the entire Salvadoran society, because we are not an elite army, but rather linked with all social classes. Nearly all of us in the military are basically of lower middle class background.

Extreme right sectors may possibly be trying to magnify the government's mistakes, in an attempt to blame the present government for the economic crisis; and that naturally has some impact, upsetting the military. But I shall not put military sectors on one side or the other, because I believe that the entire Armed Forces are engaged in a very difficult war, backing the process of democratization. The army may, indeed, be influenced by the right and the left, but I can say that it is supporting the structural changes established by the government.

2909

CSO: 3010

## SALVADORANS SEEN WANTING INTERNAL SOLUTION TO CRISIS

PA220133 San Salvador EL DIARIO DE HOY in Spanish 21 Apr 81 pp 8, 19

[Article by Carlos Giron S.: "Let There Be no Mediation, Dialogue or Intervention"]

[Excerpts] The Salvadorans have the not too enviable honor of being in the lime-light of current events as a result of the experiment that is being conducted on our people and which virtually puts us in a coma.

The number of persons and personalities in world politics who think that the Salvadoran problem is theirs to solve with their own personal formulas is impressive. This makes their defense of the nonintervention principle very hard to believe. In fact, in this tower of Babel, the Salvadorans are the ones who can certainly say, this is our business.

The sovereign wish of the Salvadoran people is to live under a republican democracy and not under the chicanery of collectivist or communistic deformations which eventually end up as totalitarian regimes. That is why every well-born Salvadoran is opposed to and categorically rejects any attempt at mediation, dialogue or intervention. Not because "internationally we are at a disadvantage," as Foreign Minister Chavez Mena recently said while speaking against mediation, but because we Salvadorans do not want there to be any interference in deciding our own destiny.

We Salvadorans have been amazed by the roster of personalities and pipsqueaks, from Mr Brandt to some unknown Norwegians, Venezuelans, Mexicans, North Americans, Russians, Cubans and Nicaraguans, who have assumed the right to intervene, to dictate and to submit formulas for us Salvadorans to solve our crisis which we are facing precisely because of those busybodies.

We Salvadorans want to be left alone in peace, so that we can decide our own fate. We Salvadorans would like to see the end of this infamous experiment to which we have been submitted and we would like to be allowed to get up ourselves, not from the ashes, but from the mudbank they dragged us into. If we fail in the attempt to rebuild our nation, we will be letting them destroy us and we will perish as a people in the dark night of history.

CSO: 3010/1180



## REFUGEES IN HONDURAS DESCRIBE ACTIVITIES OF ORDEN

Tegucigalpa EL CRONISTA in Spanish 29 Mar 81 pp 2, 16

[Text] The following interview was held with a group of Salvadoran refugees in Honduras. Many of them belong to the Nationalist Democratic Organization (ORDEN), founded by Gen Jose Alberto Medrano. It is a civilian, paramilitary organization, with from 50,000 to 100,000 members. It has a Central High Command, which acts under the Armed Forces Staff of the Presidency of the Republic, and which receives direct advice from the United States intelligence services in civilian and military matters.

One infers from the text that many of its members joined because of the fear caused by the indiscriminate repression against the Salvadoran people. They are forced to join lest they be considered subversives. They are undergoing the same situation marked by violence, poverty and subjugation as their brothers and, strangely enough, are collaborating with those responsible for that very situation.

[Question] What does ORDEN stand for?

[Answer] ORDEN? Well, authority.

[Question] How are the members of ORDEN identified?

[Answer] They are given an identity card; anyone who does not have the identity card is killed.

[Question] Can the members of ORDEN kill subversives?

[Answer] Yes, they have been given that order by the Guards; the members of ORDEN carry pistols and machetes; they are in groups, watching. They act as civilians; when the subversives arrive, they kill them.

[Question] Do the ORDEN members have a chief?

[Answer] Yes, the one in San Pedro is a corporal who is located in Victoria, and they are assigning a commander there. The corporal is named Abraham Mijango.

[Question] Do you receive a monthly pay?

[Answer] No, it is voluntary here. The Guards do not pay anything. There are people who are leaving. Understand, the people do not work. There are some who are assigned the day shift, and others the night shift, and so on.

[Question] To become a member of ORDEN, is it voluntary, or compulsory?

[Answer] They claim that anyone who refuses to take an ORDEN identity card is a subversive. We are forced, because anyone who does not want to be a member is treated as a subversive.

[Question] And what happens to them?

[Answer] The Guards kill them. You see, the Salvadoran people are in a very difficult situation, because if the Guards find out that someone is a subversive, they kill him. If the subversives find out that anyone is on the side of the Guards, they kill him too. If the Guards find out that some woman is a subversive, and if she belongs to the left, they kill her and do things with her.

[Question] Do they rape her?

[Answer] No, not the Guards. (Another farmer says) of course, yes, sometimes.

[Question] What do you think of the president of El Salvador, Napoleon Duarte?

[Answer] We would like the situation to be calm, but one never knows how it is going to turn out. The other day, they were giving notice that this would end in 10 months, but I ask, when is this going to end? I say, with children, how is one going to support them? Everyone has allowed Duarte to dominate them; they say that he is the only one who can save us. They say that this is written, that it must be so; but in other words, it is only God who knows how to eliminate these injustices, isn't that so?

(The child of the farm woman who spoke previously says) the leftists have had a great deal of control; they take people to train them.

[Question] Do you have any information about violations that the subversives have carried out against the population? Have they killed children?

[Answer] No.

[Question] Are you a member of ORDEN?

[Answer] I was, but a member of ORDEN itself shot me in the arm. Since then, I have not returned.

[Question] Were you forced to join ORDEN, or did you do so willingly?

[Answer] Well yes, as they forced all of us from the district to go there to Santa Victoria, we went. They took note of us, and gave us weapons.

[Question] What advantages are gained by being a member of ORDEN?

[Answer] None, just that the Army does not mistreat us; there is less repression from the Army.

[Question] Your mother told us that, whenever they find a farmer who does not have an ORDEN identity card, they accuse him of being a subversive.

[Answer] Yes, that happens to us.

[Question] What do the ORDEN members do?

[Answer] They organize the district, so that no subversives will come. The Army gives us Czech rifles; they teach us how to use the rifles.

[Question] When the guerrillas take over a town, what do the ORDEN members do?

[Answer] They attack them, and if they surrender, they turn them over to the authorities. The Army takes them prisoner. But anyone who opposes the ORDEN members is murdered. They are engaged in a war of extermination.

[Question] Do you represent the supreme authority in the town? Do you have any chief?

[Answer] Yes, there is a civilian in the town named Chipito Galdames; he is a member of the National Guard. They are all from the Guards or the Army.

[Question] Which sectors does ORDEN control in Cabanas?

[Answer] It only controls Victoria and San Pedro; all the rest are controlled by the guerrilla groups. Only two of our districts are organized with the Army: Palomar and San Pedro.

[Question] How old are you, and what is your name?

[Answer] I am 18; my name is Jose Martinez.

2909

CSO: 3010

## BRIEFS

HUMAN RIGHTS OFFICIAL TOURS EUROPE--Marianela Garcia, president of the Salvadoran Human Rights Commission, has said that repression in El Salvador increased with the arrival of the U.S. advisers. She said that all repressive forces are participating in the massacre of citizens. The national guard, however, is the main culprit in these crimes. She said that most of the torturers have been trained in the United States or in bases in the Panama Canal area. Repression is especially severe against peasants and workers, according to Marianela Garcia, who is touring Western Europe to report to the world on the genocide unleashed by the Salvadoran dictatorship against our people. [Text] [PA171942 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 17 Apr 81]

CSO: 3010/1180

## ASPHALT SHORTAGE COULD SNARL AIRPORT CONSTRUCTION

FL200214 Bridgetown CANA in English 1731 GMT 19 Apr

[Text] St Georges, Grenada, 19 Apr (CANA)--Problems in securing an adequate supply of asphalt have threatened to snarl construction of Grenada's first multimillion dollar international airport, government officials here say. The asphalt was needed for paving a 5,000-foot runway, but supplies were irregular and costs were high, Communications and Work Minister Selwyn Strachan said.

The Grenada Government has already started discussions with asphalt-producing countries in the Caribbean and the Americas, with a view to securing adequate and reasonably priced asphalt, Mr Strachan reported.

On the question of supplies, he said: We have not been able to solve that problem. We have been discussing this matter with a number of companies in Trinidad, Venezuela, Puerto Rico, and the United States. But the minister noted that work on the airport, being constructed at Point Saline, near here, was way ahead of schedule.

Work on the airport started last year. The Grenada Government is still trying to raise money to complete it. The latest major attempt to secure aid was in Brussels last week during an international conference. The get-together was boycotted by European Community countries--an expression of concern about the prospect of Grenada allowing its close ally, Cuba, to use the airport for military exploits in Africa.

The Grenadian team to the pledging conference, which was headed by Finance Minister Bernard Coard, returned home yesterday.

Mr Strachan said Grenada hoped to put the airport into limited use before yearend. In this regard, efforts were being made to obtain ray lights to put up an air traffic control tower and a provisional terminal, he said.

CSO: 3025/1007

## BANANA INDUSTRY HEADING FOR J\$17 MILLION LOSS

FL222214 Bridgetown CANA in Engl 2153 GMT 22 Apr 81

[Excerpts] Kingston, Jamaica, 22 Apr (CANA)--Jamaica's banana industry is heading for a \$17 million (one J dollar; 56 cents U.S.) loss this year, Agriculture Minister Percival Broderick, has said. Dr Broderick made the disclosure during a meeting with farmers in the western parish of St James, one of Jamaica's major banana growing areas.

Dr Broderick has warned that for the banana industry to begin to break even, production had to reach 150,000 tons within the next 4 years.

Following Hurricane Allen the government announced a \$28 million resuscitation program, but the industry remains hampered by a number of problems. Several growing areas have been suffering from leaf spot disease, as unusual windy conditions earlier this year prevented aerial spraying for several weeks, and then last month hundreds of acres of bananas in eastern Jamaica were destroyed by high winds.

Late last month the banana company found it had to suspend shipments to Britain because of the poor quality of the Jamaican fruit, caused by bad weather conditions in some growing areas. The problems of the industry had made Jamaican officials fearful of losing the important UK market to the high volume and quality producers of Latin America.

However, Dr Broderick said that his ministry would soon be announcing a full recovery strategy with incentives to the All-Island Banana Growers Association, the main grouping of private farmers.

CSO: 3025/1007



## BRIEFS

SHEARER MEETS UK OFFICIAL--Kingston, Jamaica, 14 Apr (CANA)--Jamaican Foreign Minister Hugh Shearer met in London yesterday with Nicholas Ridley, the foreign office minister with responsibility for this hemisphere, a government announcement here said. The Foreign Ministry statement said both men in their 90 minutes' session discussed bilateral and other matters. No details were given but it is expected that Mr Shearer would have carried a message seeking British support for Jamaica's effort to rebuild its tattered economy. In addition Mr Shearer and Mr Ridley discussed the question of sugar from the African, Caribbean and Pacific (ACP) countries to the British market. They also touched on the Anglo-Guatemala agreement which seeks to ensure Belizean independence by year-end. Mr Shearer was on his way from a joint ACP-European Community (EEC) meeting in Luxembourg. From London he goes to Algiers to attend a conference of the Coordinating Bureau of the Nonaligned Movement. [Text] [FL141750 Bridgetown CANA in English 1720 GMT 14 Apr 81]

CSO: 3025/1007

HUMBERTO ORTEGA COMMENTS ON RECENT SOUTHEAST ASIA TRIP

Managua LA PRENSA in Spanish 7 Apr 81 pp 1, 8

[Interview with Commander of the Revolution Humberto Ortega Saavedra; date and place not given]

[Text] A few minutes after having signed the Charter of Dignity, Comdr Humberto Ortega Saavedra held an exchange of views with a staff writer from LA PRENSA concerning his recent visit to Vietnam. The interview took place as follows:

[Question] Commander, what benefits will Nicaragua accrue from the contracts or agreements with Vietnam, after your recent visit to those countries?

[Answer] In the first place, the visits that we made to Vietnam, Kampuchea and Laos were to strengthen the bonds of revolutionary brotherhood that have united us in the past. The benefits are intended mainly to defeat aggressors, regardless of how great they may be. In this connection, the contribution from this tour which we made of Vietnam, and Indochina, is aimed chiefly at intensifying the peoples' struggle in their process on behalf of peace, dignity and democracy, in their process to oppose and defeat the attacks of the aggressive imperialists.

[Question] Commander, the French magazine L'EXPRESS claims in an article that, after the 25th Communist Party Congress in Russia, coordination was established between Cuba, Nicaragua and Vietnam, to spread "proletarian internationalism" to Central America. What do you know about that?

[Answer] No. What I do know is that the Nicaraguan revolution and the struggle of the Central American peoples are what have been directing liberty, honor and dignity toward the struggle of the peoples of the world.

[Question] In other words, your visit to Vietnam had no connection with what occurred at the Communist Congress in Russia?

[Answer] I don't know about that, because our visit was simply one for an exchange of relations between two peoples who are fraternal and who have normal government and party relations.

[Question] It was not to establish facilities for devising an international foreign policy?

[Answer] No, we do not have that Yankee imperialist line of moving its dominoes here in Central America, and orchestrating moves against the revolution. No, it is the

American imperialists who act in that manner, seeking a means of orchestrating their treacherous force, their mercenary force here in Nicaragua, with the reactionary forces of the area, to obstruct the Nicaraguan revolution. Insofar as Vietnam is concerned, we have no interest in forming any type of bloc, or coordinated force, in any particular direction. On the contrary, those are the efforts made by the imperialists to attack our revolution, are they not?

[Question] But it would also be a means of defense, would it not?

[Answer] We do not need that type of thing right now....It is merely that Vietnam's backing for our struggle, and our struggle's backing for Vietnam, are a means of lending us mutual support in the battle against imperialism.

[Question] Are you talking about American imperialism?

[Answer] There is only one imperialism, namely, the American.

2909

CSO: 3010

## EDUCATION MINISTER TUNNERMANN DESCRIBES PRIVATE EDUCATION

Managua BARRICADA in Spanish 6 Apr 81 pp 1, 7

[Interview with Education Minister Dr Carlos Tunnermann B.; date and place not given]

[Excerpts] The educational policy devised by the Government of National Reconstruction after the victory of 19 July was explained in detail by the minister of education, Dr Carlos Tunnermann B., in an exclusive interview with this newspaper.

Comrade Tunnermann also discussed the right of religious congregations to give Christian instruction, and the guarantee offered by the revolution to private or individual centers to carry out their study plans.

We present the interview granted by Tunnermann herewith:

[Question] Comrade Minister, is private or individual education guaranteed in Nicaragua by the revolution?

[Answer] The statute on rights and guarantees of Nicaraguans clearly states in Article 40, Section 4, that the freedom of parents to select for their children schools or colleges other than those created by the state will be upheld. This means that the existence of private schools or colleges is guaranteed in Nicaragua.

Moreover, since freedom of conscience and worship is also stipulated in Article 8 of our Fundamental Statute, one infers that freedom for the teaching of religion is also guaranteed by the state; it may be taught by the private schools, provided they comply with the official study plans and programs. No religious instruction is given in the national schools and institutions, owing to the secular nature of the state.

[Question] Dr Tunnermann, what does private education represent at present in Nicaragua, from the standpoint of the number of educational centers and the volume of students?

[Answer] Insofar as the number of private centers is concerned, there are 119 elementary schools and 94 secondary schools operating in the country, to which must be added 34 private commercial schools. This makes a total of 247 private or individual educational centers. That figure does not include over 100 small primary

schools on the preschool level. Of these centers, only 50 are completely private, in the sense that they do not receive any aid from the state, because the vast majority (188) receive economic assistance from the Ministry of Education in the form of subsidies, or the payment for teachers' slots. So, 94 private centers receive a state subsidy, and 62 (22 elementary and 38 secondary) might be categorized rather as "mixed," in the sense that the state has assumed the responsibility for paying all the teaching and administrative personnel, plus the costs of basic services.

Among those subsidized schools we might mention several parish schools: the school in Diriamba, the St Vincent de Paul school in El Viejo, the Children's Home in Chinandega, the Infant Jesus of Nazareth day care center in Granada, the Sacred Heart orphanage in Granada, the Recollection orphanage in Leon, Christ the King in Managua, Nazareth House, St Anthony in Diriamba, the Salesian school in Granada, and the one in Masaya, the La Salle technical institute, the Moravian school in Bluefields, and the one in Puerto Cabezas, as well as others.

As for the number of students, the percentage accommodated by the state educational centers is constantly increasing, owing to the recent creation of many government preschool entities and the nationalization of several private centers. At present, the state provides for 75 percent of the children on the preschool level, 98 percent of those receiving special education (the handicapped), 90 percent of those enrolled on the elementary school level and nearly 80 percent of those enrolled on the intermediate level.

[Question] With respect to the nationalization of private centers, what has the process been, and how many have been nationalized?

[Answer] Following the victory of the revolution, several private centers, mainly secular ones, experienced a crisis, whether because their owners abandoned them and left the country, owing to their connections with Somocism, or because when the state ordered public education free of charge, they ceased to be profitable businesses and experienced a considerable drop in enrollment.

In view of this situation, the Ministry of Education proceeded to nationalize those centers, which were turned over to it by the Office of the Attorney General of Justice, or by their very owners, through special arrangements. Upon being nationalized, they became public centers free of charge. To date, 29 centers, mainly on the intermediate level, have been nationalized, among which I might mention the Jimmy Gonzalez (formerly Il de Julio) national institute, the Miguel Bonilla Obando (formerly St Francis of Assisi) national institute, what are now the Cristobal Colon and Andres Bello national institutes, the Heroes and Martyrs of Bello Horizonte (formerly Arly) preschool and school, the Denis Ayerdís Miranda (formerly Redeemer) institute, etc. We should also add the incorporation into the Ministry of Education of the schools and institutes previously sponsored by other ministries, such as the nearly 100 elementary schools financed in the past by the former National District, Telcelar, and the Batahola School Center, which formerly came under the Ministry of Public Works.

The case of several private schools which have requested of us their conversion into free public schools of a mixed type, so as to expand their services to sectors of the population with low income, is different. We have signed special agreements

with these schools, whereby the Ministry of Education assumes responsibility for all the expenses related to teaching personnel and administration, and the costs of services, while the religious orders retain the management of the schools, and the right to give religious instruction and to lend a Christian orientation to their instruction, consistent with our revolutionary process. These schools have now opened their classrooms to very needy adolescents.

This holds true for the following, among others: the Mother of the Divine Shepherd school, the Rosary of Fatima school in Rivas, the San Luis Beltran school in Chinandega whose administration has been turned over entirely to the Ministry of Education, the St Teresa, the Little Flower school in Matagalpa, the Immaculata technical institute in Pochocuape, Managua, and all the schools and colleges sponsored by Faith and Joy, including the Roberto Clemente school in Ciudad Sandino, etc.

[Question] How many private schools are of a religious nature?

[Answer] Of the total of 247 private schools, 173 are sectarian; that is, they belong to religious orders, and 74 are secular. The largest number (152) belong to Catholic orders, seven are Moravian, five are Baptist, four are Adventist, three are Evangelical and two are Anglican.

[Question] Are the private schools required to comply with the official study plans and programs?

[Answer] According to the law of the republic, all the country's educational centers, both public and private, must comply with the study plans and programs approved by the Ministry of Education, which is also authorized to supervise the fulfillment thereof.

The Ministry of Education has created a special section for supervision of private centers, which is responsible for this task, through periodic visits to the private schools. It should be stressed that the Ministry of Education maintains cordial, productive relations with the private schools, and it is only when serious anomalies have been noted that we have been forced to close certain centers, because they failed to meet the minimal requirements, and to protect the young people who were receiving a pseudo-education in them. But these instances have been an exception.

2909

CSO: 3010



## OPPOSITION SCORES BORGE'S STATEMENTS IN LIBYA

Managua LA PRENSA in Spanish 2 Apr 81 p 5

[Excerpts] On Monday, 30 March, the statements made by Comdr Tomas Borge Martinez, the Nicaraguan minister of interior and member of the FSLN Directorate, in Tripoli, Libya, regarding the application of the "third universal theory" to Nicaragua, were seriously challenged here by independent political elements.

Dr Clemente Guido, national coordinator of the Conservative Democratic Party, described that theory as primitive, and declared that it was already being applied here.

Adan Fletes Valle, head of the Social Christians, called the statements a subterfuge on the part of Borge, to keep the FSLN in power.

The Nicaraguan minister of interior stated that the "third universal theory" contains the ideal solutions for resolving mankind's complex problems.

According to that theory, the masses must govern the country directly, without a congress, without elections and without elected representatives.

## No One Has Succeeded in Finding the Formula

Dr Clemente Guido said: "There are several aspects from which to approach this issue. In the first place, it must be borne in mind that many political leaders in the world are searching for that third theory, which would be midway between the capitalist system and the Marxist-Leninist system.

"Thus far, no one has succeeded in finding an intermediate formula that would totally satisfy those who want to be half revolutionaries and, at the same time, half capitalists.

"But the universal theory mentioned by Comdr Tomas Borge is really unknown to me, because I have not read it; hence I can only comment on what the newspaper LA PRENSA says."

## Primitive System

Guido went on to say: "It does not seem at all original, because it is such an ancient theory that I think it must have originated at the time when the first

primitive man grabbed a rock to throw at the head of another primitive man beside him.

"Because that system of governing without a congress could not even be done in the time of the Indian tribes, because there was a Council of Elders which was consulted.

"It must be said that it is impossible to govern by gathering the entire mass, by concentrating an entire people numbering 2 million inhabitants, so that it may decide on the legislation at each moment. I think that these people must always be represented in some way.

"I repeat that, even under the primitive government systems, the majority of heads of families gathered around the fire to hold discussions. That was already a congress."

But It Is Happening Here Already

Then the national coordinator of the Conservative Democratic Party continued:

"However, in accordance with the universal opinion of what a congress is, we might say that we in Nicaragua are already being governed without it, because the Council of State which we have has been the result of a whim of those who are governing, who chose any organization to be represented therein, and not in accordance with the power of each.

"It says here that they will govern without elections; that is nothing new.

"We must say that this means starting again the era of 'manu militari' [force of arms], of military force, because there are only two ways of coming to power.

"One of them is elections, which is when the people, by means of a vote cast in a free and secret manner, transmit their power to their delegates in the government. That is the method of sanctifying power in a democratic manner."

Guido claims: "Under the monarchical systems, the power used to be sanctified by a means of divine origin."

Second Way

Dr Clemente Guido maintained that the second way of coming to power is by means of arms, violence and brute force.

"According to this system, if they do not come to power through elections, it means that they pave the way only for the adventurers, the militarists, the people who are ready to take hold of the rifle and machete in order to rise to power."

Guido said: "This too is being put into practice in Nicaragua, because the Government that we have was not elected by the people; hence they are not elected representatives, but rather individuals appointed by the military chiefs who are in power.

"The Council of State does not have elected representatives either.

"So this 'third universal theory' mentioned by Commander Borge is already being applied in Nicaragua; it is not going to be applied.

"And I say that it is already being applied because there is no congress, there have been no elections and those who are governing us are not representatives elected by the people of Nicaragua."

#### Power Through Power

When Dr Clemente Guido was asked whether his comments on the "third universal theory" might be interpreted as calling it "power through power," he replied:

"Yes, I would say that it is power through power, by means of force and violence. It is, of course, a really primitive theory, and I believe that human beings emerged some time ago from primitivism, from obtaining things by force, or from the notion that the one who had more arms was the one in command, and progressed to the civilized democratic system, of choosing rulers by means of elections.

"It does not seem to me that, with this theory, the underprivileged are protected from being underprivileged; nor do I find a way in which the masses can govern directly. It would mean arriving at total anarchy, which not even the communists accept at this time."

In discussing the same topic, Adan Fletes, president of the Social Christian Party of Nicaragua, stated that he could make certain comments on the subject. "There is a commitment here for the entire Nicaraguan people to hold democratic elections, and even in the Organization of American States it has been stipulated that the regime that would prevail in Nicaragua was to be genuinely free and democratic, and would be established as soon as possible by means of elections throughout the country."

#### No Copying

Fletes Valle also remarked: "It must be considered that a government without a congress, without elections and without elected representatives is a dictatorship.

"It has always been claimed here that the Nicaraguan revolutionary process must not be a copy of any other model. Even spokesmen for the FSLN have stated this; and therefore I am surprised that a cable should appear in which Borge says that we are going to do here what is being done in Libya.

"Furthermore, I think that every country has solutions based on its own situation, and the situation in Libya is not that in Nicaragua.

"I have no information about 'the third universal theory' other than that stated in the cable, which notes that it is meant to be a means whereby the masses may govern the country without congress, without elections and without elected representatives."

Fletes added: "This theory is really little known, but those governing there are not the masses; those in command must surely be a group or clique which does not consult the people about anything."

The president of the Nicaraguan Social Christian party concluded by saying: "What we want here is something completely different. It would appear that this third expedient, insofar as Nicaragua is concerned, is merely a subterfuge of the FSLN, in order to remain in power."

## FOREIGN TRADE MINISTRY ON SUGAR, COFFEE, MEAT EXPORTS

Managua EL NUEVO DIARIO in Spanish 5 Apr 81 p 10

[Text] Edgard Chamorro Cuadra, coordinator of the enterprises of the Ministry of Foreign Trade, announced that, during the first quarter of 1981, cotton exports exceeded all the exports during 1980, with \$35 million worth as of 31 March.

Chamorro added that the exports for 1981 in the category of cotton alone are estimated at \$120 million.

With regard to the markets for our cotton, he said that they are diversified, and mentioned the Federal Republic of Germany (FRG), France, Japan, the People's Republic of China, the German Democratic Republic (GDR), Italy and Czechoslovakia.

## Coffee

As for coffee, the exports as of 31 March had amounted to \$80 million, a figure less than that for the same period last year, owing to the decline in prices for the bean.

Chamorro said that the exports for the year are estimated at \$140 million.

He remarked that this time, for the first time in the history of the nation's coffee growing, about 15 percent of our exportable production will be marketed in the area of the socialist countries.

Of the coffee exported, 25 percent will go to the United States, 24 percent to the Federal Republic of Germany, and the rest will be marketed in Spain, Belgium, Italy, Bulgaria, Czechoslovakia and now the Soviet Union.

## Meat

Insofar as meat is concerned, as of 31 March 9 million pounds were exported to the United States alone; but, starting in May, it is expected to diversify with 8 million pounds that Canada will probably purchase.

The coordinator of the enterprises of the Ministry of Foreign Trade said that the Mexican market is also being studied.

This year, it is expected that about 35 million pounds will be exported, which would represent between \$45 and \$50 million in receipts entering the country.

## Sugar

With regard to sugar, as of 31 March exports totaled \$20 million, with sales to the United States and Mexico in equal proportions (50 and 50 percent).

The estimated exports for the year range between \$45 and \$50 million.

Among the alternate markets being studied on which to sell our sugar are those of Venezuela, Bulgaria and the Union of Soviet Socialist Republics (USSR).

Further information supplied by the coordinator of the enterprises of the Ministry of Foreign Trade reveals that, in May, the Nicaraguan Ocean Products Enterprise (ENMAR), founded by that ministry, which came under the jurisdiction of the Nicaraguan Fishing Institute (INPESCA), a few months after the latter was founded, will again become subordinate to the Ministry of Foreign Trade.

However, strategic reasons have made a new revision necessary, and ENMAR will again become an enterprise of the Ministry of Foreign Trade.

2909

CSO: 3010

## WORLD BANK, COFINA SIGN LOAN AGREEMENTS

PA231516 Panama City Televisora Nacional in Spanish 2315 GMT 22 Apr 81

[Text] The World Bank and the National Financial Corporation [COFINA] today signed a contract for a 20 million balboas loan. The loan granted to COFINA is for a 15-year term with a 3-year grace period at an annual interest rate of 9.6 percent. The contract was signed by World Bank Vice President Nicolas Ardito Barletta and COFINA General Manager Edgar Ameglio and countersigned by Comptroller General Damian Castillo.

Barletta then signed an agreement of guarantees with the Panamanian Government represented by Finance and Treasury Minister Rogelio Fabrega and a second loan contract for 6.56 million balboas to promote the energy development project. The ceremony at the COFINA headquarters was attended by members of the COFINA board of directors including Luis Alberto Arias, general manager of the National Bank of Panama, and Tomas Paredes.

Barletta today rejected the U.S. statement that the World Bank has bolstered socialist governments to the detriment of free enterprise. Studies of the U.S. Treasury Department under the responsibility of Beryl Sprinkel, under secretary of monetary affairs, are trying to prove that by following its policy of loans to governments, the World Bank is helping some that are socialist while it reduces the opportunities for and the levels of private businesses.

[Begin Barletta recording] I have just learned of the report and I am not fully aware of the details. Perhaps I can point out several different things. First of all, the United States is, of course, the main shareholder of the World Bank but it is not the majority shareholder. The United States owns 22 percent of the World Bank shares. The other 78 percent are owned by 139 other countries.

The U.S. Government has the right to undertake all the studies it deems necessary regarding its participation in these organizations that finance international development. However, I don't have the complete details of the report. From what I have heard, I don't think the report is complete or clear. Most of the World Bank loans, which this year will amount to \$13 billion in the entire world, are given to countries that cannot be called socialist.

Since the World Bank is an international institution, it also loans to countries such as Yugoslavia and Romania. China also recently joined the World Bank and probably will begin to receive credits next year. For example, in Latin America



which is the part of the World Bank under my responsibility in the World Bank, the bank is lending \$3.2 billion this year. I don't think that with the exception of Cuba, which is not a member of the World Bank by its own accord, one can say that the Latin American countries are socialist.

Therefore, the first part of the report that the World Bank lends more to the socialist countries than to nonsocialist countries is not correct. The second part of the report that the World Bank promotes the establishment of socialism is also false. However, as I said, I have not read the text of what the U.S. treasury under secretary has really said in this regard. An interpretation could be that most of the World Bank credits are granted to governments and state institutions. This is so due to the decision of the bank's owners which are the 140 countries that have shares in it, including the United States. Part of the reason for this is to have an almost absolute guarantee that those credits will be paid back because countries are the best risk that a development institution like the World Bank can have.

Needless to say, it is not my place to comment on what a government does domestically regarding its policy on an organization such as the World Bank. The United States, like Panama and any other country that is a shareholder in the World Bank, has the right to have its own opinion on the World Bank. It would have to take its recommendations to the World Bank's 20-member board of directors, one of whom is of the United States, to see if they are adopted by all the bank's shareholders. [End recording]

CSO: 3010/1180

## DEPUTY CANAL ADMINISTRATOR EXPLAINS FINANCES

PA150426 Panama City Televisora Nacional in Spanish 2315 GMT 14 Apr 81

[Interview with Fernando Manfredo, deputy administrator of the Panama Canal Commission, by Luz Maria Noli in Panama City on 14 April--recorded]

[Text] [Question] Manfredo, the Panama Canal Commission newspaper has reported that in its second year of joint operations, the Panama Canal has lost \$5 million in the first 5 months and that it will probably continue to lose money in the next 7 months. The statement was attributed to administrator Dennis McAuliffe. What is the reason for this loss?

[Answer] The question is important. We are experiencing some serious financial problems this second year. The \$5 million to which Mr McAuliffe referred is the decrease in the canal's toll revenue compared to what had been planned. We have had a bigger revenue than last year but we have not reached the projected revenue that served as a basis for drawing up the budget.

In addition to that we have also had a number of expenditures and investments that had not been budgeted. They add up to about \$24 million. This is apart from the \$5 million drop in revenue. For example, about \$7 million have had to be invested earlier than expected to make improvements in the canal and to purchase the mules and the towboats. After the delays in the canal crossings last year, we found that we had to advance those investments. They had been planned for the future but they had to be advanced. In reality, the sum is \$10 million in capital investments but we were able to transfer \$3 million of the investments to another fiscal year.

Besides that, we have also had to increase the reserve for maritime accidents by some \$6 million. It is not because there are more accidents. In fact, there are fewer accidents but they are more expensive. The repair of ships and the time that the ships lose cost much more. We do not have the authority to obtain insurance, so as a prudent measure, we have allocated some \$6 million more, which is a more realistic figure, bearing in mind the cost of repairs and indemnifications for accidents in canal waters.

We also have to add some \$3 million that the collective contract with the canal pilots has cost us and some \$2 million that are the result of a wage increase that the U.S. Government decreed for all the agencies and that went into effect in January 1981. Remember that our fiscal year began on 1 October of the previous year. There has also been about a \$3 million increase in the cost of fuel.

Now then, we have been able to absorb part of that \$24 million internally. However, we still have a probable deficit of about \$15 million. In view of the uncertainty about the traffic the rest of the year and as a healthy financial policy, the administrator has decided to implement an austerity program that we want to implement without sacrificing jobs.

[Question] How will this austerity program function?

[Answer] Right now we have an employed labor force and an authorized labor force. The authorized labor force is larger than the employed labor force. We have imposed on ourselves a selective employment policy to fill the new vacancies in order to defer the appointments as much as possible; this is particularly the case in the administrative sector. We are much more flexible in the operations sector because we don't want the austerity program to be carried out at the expense of the canal operation, its efficiency or maintenance.

There are other measures such as savings in the use of vehicles, fuel and everything that one can save in an administration.

[Question] With the decrease in the revenues and the increase in operation costs, won't the operation of the canal be affected?

[Answer] Yes Luz, this is true. We are restricted by law from obtaining loans or resorting to the U.S. treasury. We have to live solely on our revenues. Therefore, despite the fact that we are a commercial enterprise because of the nature of our operations, we have many more restrictions than a commercial enterprise does regarding the sources from which it can obtain money to make investments.

For example, the logical thing regarding the \$7 million being spent on the purchase of the mules and towboats would have been to obtain them on credit for a period of time that would cover the depreciation of that equipment or at least before the expiration of the treaty. However, we have to spend the money as if it were an operations expenditure.

[Question] When you reported the decrease in revenue and the increase in costs, the picture was not very bright. As the first Panamanian to hold this high position in the canal, what is your personal view of this economic situation?

[Answer] I am very worried. I will tell you why. It should be clearly understood that the Panama Canal is subject to the same contingencies that affect any commercial enterprise. That is to say, we are affected by the costs of inflation. We could suffer losses from an accident in the canal, a landslide, any loss of that nature. We are also affected by a drop in traffic because we have very little control over the movement of cargo through the canal. This is influenced by economic and even political factors.

Furthermore, the needs, the permanent costs of the canal are very high. We have a payroll of about \$170 million a year. That is just the beginning. The canal is not like an accordion that can be expanded when business grows and contracted when it decreases. There is very little that can be reduced in operations when business decreases. Faced with this decrease in revenue due to a drop in traffic, unable to obtain money from other sources and the growing needs of a canal that increasingly needs more maintenance and replacement of equipment, the alternative would be to increase tolls. However, we should remember that the users of the canal have other alternatives if they find that the tolls are too high. We have a

classic example with the possibility of the oil pipeline. Why would the ships turn to the oil pipeline? Because it is an alternative that at least saves them money and the time involved is comparable to that of the canal crossing. The land bridge in Mexico is an alternative for the ships with containers. The ships will turn to any alternative that saves them time and money. Therefore, we are practically at a crossroads. We have to implement these austerity programs, reducing the costs to a minimum so we can guarantee to the canal users attractive tolls and reasonable waiting times in the canal.

[Question] The Panama Canal is one of our biggest sources of revenue. Are we in a crisis situation at this time?

[Answer] I would not exactly say so. What I mean is that it is no longer like it was in the past when the canal had a kind of big cushion between its revenues and its expenditures. There is now very little difference between the revenues and expenditures and therefore we will have to be very careful in handling the canal's finances.

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## MANFREDO'S STATEMENT ON CANAL PROBLEMS ASSESSED

PA161644 Panama City MATUTINO in Spanish 16 Apr 81 p 4A

[Article by Luis Restrepo Rosas: "Canal Problems"]

[Text] I listened to the statement of Fernando Manfredo, deputy administrator of the Panama Canal, in connection with the economic problems affecting the waterway's administration in the second year of joint operation.

Manfredo's statement gives the impression that the organization's economy has dwindled which is affecting the normal process of operations and that this dwindling process will continue for several more years, until the improvement of the waterway, which is essential to meet the future demands of world trade, has concluded.

But the impression is also given that the present developments constitute another aspect of the trap set up by the United States, or better put, by the U.S. Congress, to annul the positive effects for Panama of the Torrijos-Carter treaty.

While providing details about the narrow margin for economic action that the law on implementing the Panama Canal Treaty approved by the U.S. Congress leaves the Panama Canal Commission, the Panamanian official indicated that although if not directly, Law 06-70 is the reason for the tight economic situation affecting the Panama Canal.

It must be recalled that Congressman Murphy and his associates in the plot against Panama used to announce frequently that "not a single cent of the U.S. taxpayer's money would be placed at the disposal of the joint canal administration because Panamanians were not to be favored." It must be noted that imperious Congressman Murphy has been removed from his post under charges of accepting a bribe from an alleged oil prince who turned out to be an FBI agent. One must also recall that this same Mr Murphy was an associate of Dictator Somoza in the human blood traffic and was involved in obscure deals involving extortion and the peddling of influence in Santo Domingo. This is what is known so far about Mr Murphy's shady activities. Perhaps he unleashed all his hatred against the Panamanian people because the Panamanian rulers did not offer him any money to buy his collaboration. It cannot be believed that he was defending his country's interests out of patriotism, because he later proved that he was capable of doing anything for a few thousand petrodollars, even if the national security of the United States was endangered or the country's honor was affected.

The economic activities of the Panama Canal's joint administration were limited in an effort to create conditions that would present to the world an image of operational inefficiency under the Panama Canal Treaty.

Furthermore, it must be pointed out that the canal company finances were kept secret during the 75 years that the U.S. Government administered the canal. Panamanians knew nothing about the handling of the canal's funds, which were abundant, for they could always turn to the U.S. treasury to meet any emergency. Besides, it was only after World War II that the Panamanian workers' wages were increased. For over 50 years the "silver roll" employees worked for extremely low salaries that ranged from 18 cents to 25 cents per hour. Thus, the administration, functioning and operation of the canal was very cheap, for the only ones who earned good salaries were the colonialists known as "Zonians." In addition, the materials needed to repair the equipments, the fuel, electricity, construction materials and so forth were all very cheap. This constitutes a further difference. As I said above, any emergency used to receive the direct attention of Washington and, hence, the canal did not have to depend exclusively on tolls, as it does now.

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